

# The Bristol Local Access Partnership

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## Introduction

This document seeks to provide Bristol's up-to-date thinking on how an emerging Bristol Local Access Partnership will aim to deliver tangible results for Bristol's social economy in the short, medium and long-term.

The document seeks to address each of the essential and desirable criteria outlined in the bidding process in a structured way. Also attached is an executive summary in slide format, and a letter of support from Bristol's elected Mayor, Marvin Rees, in support of this bid. These are the three documents which comprise our bid.

Our Local Access programme will resource development support and investment for enterprises working with disadvantaged communities to make the social economy ecosystem more equitable – because although it's currently ambitious and full of energy, it's also fragmented and lacking diversity.

We have made a strong start in building a Bristol Local Access Partnership. Through a wide range of discussions from our initial expression of interest to now, we have been building momentum around the potential outcomes that the Local Access Programme could deliver, whilst also seeking to align where possible to existing City energy and emerging initiatives which create the conditions for this work to flourish.

This has brought a number of potential frontline partners to the fore and, over the next six months, we will build the strong relationships required to form a core set of partners, who will then be responsible for developing and embedding wider engagement to ensure the bid is truly “of the city” and not a top down process. This will continue our approach of ensuring frontline organisations at different stages of development contribute their own particular insight regarding challenges and opportunities to the partnership, i.e. organisations:

- a) undertaking early stage trading to create or diversify revenue streams;
- b) seeking to grow their revenue;
- c) exploring their first potential investment;
- d) seeking further investment to scale impact.

In building this partnership, we have worked with social enterprises, communities and policy makers via face to face events, one to one interviews, discussions and online surveys. The content of this document is therefore the product of direct input from 55 social enterprises, 5 infrastructure organisations, 4 enterprise support providers and 8 policy makers and anchor institutions. This is not complete as an engagement exercise: indeed we plan to ensure that ongoing engagement is a key part of our way of working moving forward. In terms of building a solid foundation from which to launch the programme, we believe we have made a good start at this stage. A summary of the people and organisations we have worked with so far is included in Appendix A.

We have defined an emerging governance model for the Partnership, but we want to build the initial core partners based on creating the right mix of skills and experience to deliver the right results for Bristol. We hope to create this via an advertised process, opening the offer as widely as possible. We would only undertake this once Stage 3 has been secured.

There are three key components to our Partnership model: Firstly, a core group of infrastructure and frontline organisations, bringing local context, strong VCSE leadership, representation and understanding and some thematic expertise. Secondly, a reference and advisory group to influence and shape the work technically in the wider context of the city, and thirdly, a wider group of strategic stakeholders and ambassadors to promote and align the work with the wider one City Approach and nationally. We have illustrated how this partnership has been formed using the 'double diamond' methodology (see section B3).

Using the co-production processes outlined above, we have also sought to map what we think is really needed in Bristol, while at the same time capitalising on the work that has been done over the years where it is still relevant. In particular, we see that Bristol's Social Enterprise City Status (currently being refreshed), its One City Approach ([www.bristolonecity.com](http://www.bristolonecity.com)) and its recently formed City Funds ([www.bristolcityfunds.co.uk](http://www.bristolcityfunds.co.uk)) collaboration support our drive towards market development and together create a strong foundation for the Local Access process. We are confident that building on this existing work will accelerate enterprise development and positive social, economic and environmental impact for our communities.

We have sought to map the key components of a healthy social economy using a single diagram (see section B1). From this we have articulated what it is that we believe the Local Access Programme could uniquely bring to Bristol, and how this focussed support could build the strength, role and effectiveness of our social economy by connecting and combining the right type of enterprise support with new pathways to alternative financial models and blended social investment.

From this analysis, we have determined that the ask of Local Access is for capacity building funding of £1.6m over ten years, and blended grant funding of £2.0m over ten years.

In naming this partnership we have opted for a working title of Bristol Local Access Partnership, as this brings clarity to its purpose and intention for everyone. Over time, the partnership may seek to change the name, to reflect and build on the strength of our place-based approach and the desired outcomes of the programme.

We hope that this bid is compelling to you, and we look forward to your visit to Bristol in November.

## A. The Partnership

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### 1. How will your partnership make decisions? How will the partnership function practically?

To bring together a partnership that can effectively guide a place-based investment programme, we have drawn on Bristol's experience of cross-sector collaborations, combined with the wealth of knowledge and shared learning from and the 'ups and downs' of Bristol's social economy.

#### Key Features of the Partnership

Learning from these collective lessons, and in consultation with communities and social enterprises (see Appendix A), we have sought to define some parameters to determine initial criteria for the emerging partnership. Our partnership will balance:

- Informed and responsive decision-making with a broad reach across diverse stakeholders;
- A depth of experience from organisations that have a track record of already scaling their impact through investment, with fresh insight and new perspectives from social enterprises starting out in a socio-economic context that has changed significantly in recent years;
- A simple initial structure that can build on existing foundations to move quickly in the short-term, with an outline of future collaboration that will strengthen the social economy's roots in the long-term;
- An understanding of development support that's worked in the past with an openness to testing new, inclusive approaches.

#### Required Skills and Capabilities contained in the Partnership

To coordinate the combination of enterprise and market development, policy shaping and financial adaptability required for a place-based programme to work, we first identified the skills and capabilities an effective partnership must have. These were:

- Understanding of Bristol's specific culture and history of enterprise
- Capacity to deliver a range of accessible investments
- Credibility and ability to work effectively with private sector businesses
- Political influence to shape public policy
- Experience of delivering a variety of enterprise development support
- Knowledge of local geographic communities and communities of interest
- Trusted relationships with frontline charities and social enterprises, local citizens and their representatives
- Independence from 'official' agendas
- Experience of effectively developing diverse social enterprises
- Understanding of and ability to engage strategically across the city region

#### Emerging Partnership Structure

We envisage the priorities and membership of the partnership developing along with the programme and the structure should be simple and flexible enough to accommodate these shifts of focus without fundamentally revising how the whole partnership is organised and practically works.

We are planning for two main stages of future work (see section E1):

a) **Proposal and co-development (stages 2 and 3: from now until January and then, depending on which places are selected to proceed, 3-6 months of stage 3 into 2020)**

Putting this proposal together and securing the relevant local and wider support for the partnership's long-term vision; then researching and producing a detailed delivery plan for the programme with specific local target groups and areas of impact.

b) **Implementation (stage 4: from 2020, depending on Access Foundation's Investment Committee approval of the detailed plan)**

Implementing the detailed plan, managing delivery partners, performance against targets and consolidating the partnership's cross-sector foundations to maintain alignment of wider support across the place.

The structure of the partnership (illustrated below) consists of a:

- Steering Group of frontline enterprises supported by local infrastructure organisations;
- Reference Group of social economy and advisory organisations;
- Wider group of ambassadors and strategic stakeholders.



The only new 'hard' structure created for the partnership is therefore the Steering Group.

This approach maximises, connects together and moves forward a range of existing stakeholders and alliances - rather than creating too many additional structures which could detract from the delivery of this and related initiatives. By virtue of its inclusive aspirations this structure also provides the opportunity to bring new thinking to Bristol both from communities and enterprises, but also from national sources.

The following sections describe the purpose of each of these groups and how they would operate in practice:

	<b>Steering Group</b>	<b>Reference and Advisory Group</b>	<b>Ambassadors and Strategic Stakeholders</b>
Purpose	<p>To set direction of the Partnership.</p> <p>To make formal recommendations on the allocation of Local Access Programme funding.</p> <p>Commission/oversee detailed planning, make programme decisions, develop protocols and manage the development budget.</p>	<p>To advise the steering group on how to maximise the opportunity for positive impact within Bristol.</p> <p>To help guide the strategic direction of the Partnership.</p>	<p>To act as ‘eyes and ears’ for the partnership, providing intelligence, connections and spotting opportunities for further collaboration and learning both locally and nationally.</p> <p>Provision of strategic leadership on policy and place shaping.</p>
Composition	Up to ten members covering all the capabilities and experience outlined above.	Up to 40 members drawn from frontline organisations, local funding and investment bodies, national infrastructure bodies and other experts.	Up to 20 individuals, to include representatives of policy makers, elected officials, Universities, Business and representatives of other core cities.
Frequency of Meeting	Monthly	Quarterly	Attendance at events only with marketing collateral being provided
Form of Meeting	<p>Formal meeting, initially Chaired in rotation by the infrastructure partners.</p> <p>Minuted meeting with funded administrative support in between meetings</p>	Minuted without administrative support in between meetings.	Non-minuted, i.e. an active ‘opportunity network’ that feeds into the actions of the Partnership.

## 2. Potential Partners and the rationale

### a) Composition of the Steering Group

During the development process to date a core group of organisations has worked to build the thinking and the momentum with a range of colleagues, with a view to building interest in becoming formally a part of the Partnership. This has been a very open process to date, and has enabled the inclusion of the kinds of skills and capabilities we are seeking to bring into the formal partnership over the next few months. We have been careful to ensure that colleagues can see where they may fit and how they might best contribute to the programme.

For the next stage of this process, we would seek to maintain the leadership and enabling work of the initial partners: Bristol and Bath Regional Capital (BBRC), Black South West Network (BSWN), Voscur, Quartet and School for Social Entrepreneurs Dartington (SSE). The rationale for this is that each of these partners brings key elements of our approach in Bristol: investment expertise, support and access to capital, inclusion, enterprise development, collaboration, organisational development, strategic leadership and grant management.

Once we formally establish the wider partnership subject to progressing to Stage 3, we would seek an open discussion and independent check on how the partnership should function moving forward and whether the initial partners are still an agreed part of the formal partnership further down the line. In the meantime, they are key to bringing everything together and deploying relevant experience and expertise.

Through our research and development, it has emerged that frontline organisations would want to bring some thematic expertise which relates to the core work of the VCSE in their approach to tackling social, economic and environmental disadvantage and inequality. Therefore, as well as direct representation, they are keen to see thematic leadership in the core group. This would include leadership on social, economic and environmental impact.

We are also keen to ensure frontline organisations at different stages of development contribute their own particular insight regarding challenges and opportunities to the partnership, i.e. groups:

- a) undertaking **early stage trading** to create or diversify revenue streams
- b) seeking to **grow their revenue**
- c) exploring their **first potential investment**
- d) seeking **further investment to scale impact**

We have a good range of frontline organisations (listed below) interested in these different roles that have co-designed our proposal to date and stated their willingness to become a formal partner in due course.

Steering Group partners		
Role	Partner	Information /Background
Investment Lead	Bristol and Bath Regional Capital (BBRC)	<a href="#">Bristol &amp; Bath Regional Capital</a> 's (BBRC) ambition is to become a significant and commercially

	<p>BBRC would bring experience of place-based social investment.</p>	<p>sustainable driving force in the development of the region, catalysing regional change through civic-led, commercially-focused and innovative social investment.</p> <p>From this programme BBRC would gain catalytic grant blend to help City Funds achieve its aspirations for the city, and enhanced connections with enterprise development providers.</p>
Inclusion lead	<p><a href="#">Black South West Network (BSWN)</a></p> <p>BSWN would bring trusted relationships with BAME communities in the city, strong research and analysis and a model of developing inclusive enterprises.</p>	<p>BSWN has over 10 years of experience in supporting and developing the capacity of the BAME sectors in Bristol, using academic research to inform evidence-based development.</p> <p>From this programme BSWN would gain access to more comprehensive development support and investment for its network of enterprises.</p>
Collaboration and VCSE lead	<p><a href="#">Voscur</a></p> <p>Voscur would bring a strong record and extensive experience of building relationships with diverse charities and social enterprises across the city, as well as policymakers and commissioners.</p>	<p>Voscur develops and supports charities and social enterprises to increase their impact, helps investors and commissioners design effective and inclusive services and builds relationships between providers and funders to maximise social value.</p> <p>From this programme Voscur would gain a coordinated investment of resources and partners to help the city's charities and social enterprises work towards many of the goals in the 10-year VCSE Strategy that Voscur facilitated on its behalf.</p>
Place-based giving lead	<p><a href="#">Quartet Community Foundation</a></p> <p>Quartet would bring a strong track record of place-based giving and targeted delivery of feasibility and development grants.</p>	<p>Quartet is the Community Foundation for Bristol and Bath. It matches people who want to give money locally with organisations and charities working to improve local communities.</p> <p>From this programme Quartet would develop its role as a responsive grant-maker, building on its history of managing local philanthropy to strengthen its role in place-placed community development.</p>
Enterprise development lead	<p><a href="#">School for Social Entrepreneurs Dartington (SSE)</a></p> <p>SSE would bring experience of and expertise in delivering enterprise development</p>	<p>SSE supports entrepreneurs in Bristol to set up grow and develop enterprises that deliver social change, community benefit, environmental impact and financial sustainability. SSE works with various partners and is focused on the transition from early trading to revenue growth.</p>

	support in Bristol, working with various partners focused on the transition from early trading to revenue growth.	From this programme, SSE would gain the opportunity to collaboratively tailor and reframe its enterprise development expertise in a place-based programme.
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<b>Frontline lead partners</b>	
<b>Role</b>	<b>Purpose/expertise</b> (in addition to social enterprise/investment)
<b>Frontline Social Impact lead</b>	Social inclusion leadership, ideally through lived experience. Expertise may include disability, ethnicity, mental health, offending, class, etc.
<b>Frontline Economic Impact Lead</b>	Economic inclusion leadership. Expertise may include employment, skills, education, training, community business, etc.
<b>Frontline Environmental Impact lead</b>	Environmental inclusion leadership. Expertise may include climate change, geography, community energy, transport, etc.
<b>Frontline – Early stage trading partners</b>	Social enterprise startup trading (which may include managing volunteers, business planning, market research, etc.)
<b>Frontline – Growing revenue partners</b>	Transition from start-up to sustainable social enterprise trading (which may include financing growth, product development, managing teams, etc.)
<b>Frontline – Exploring first investment partners</b>	Strong enterprise record and planning for social investment (which may include financial planning/modelling, management systems, operational systems, etc.)
<b>Frontline – Further investment to scale impact partners</b>	Experience of taking on, servicing and repaying investment (which may include strategic leadership, quality assurance, etc.)

A selection of local charities and enterprises that have participated in the development of our proposal to date and may apply to fill the frontline partner roles outlined above are listed in the table below (for a complete summary, see Appendix A):

<b>Frontline partners</b>	
<b>Organisation</b>	<b>Potential contribution</b> (in addition to social enterprise/investment)
West of England Centre for Inclusive Living (WECIL)	WECIL would bring experience of developing user-led social enterprise and supporting local people address multiple inequalities.

Bristol Credit Union	Bristol Credit Union would bring practical experience of scaling social enterprise to build financial resilience both in its own operations and for its members.
Hartcliffe Health and Environment Action Group (HHEAG)	HHEAG would bring a long track record of working with one of Bristol's most excluded communities and a developing understanding of how to harness environmental assets for social impact.
Bristol Green Capital Partnership (BGCP)	BGCP would bring experience of partnership development and environmental action.
Cognitive Paths	Cognitive Paths would bring experience of developing micro social enterprise working with BAME communities to develop their skills and qualifications.
Street to Boardroom	Street to Boardroom would contribute experience of working with people at risk of offending to turn illegal enterprise skills into legal enterprise skills.
Babbasa	Babbasa would bring skills in providing training, leadership and work experience for young people from BAME communities.
Redcatch Community Garden	Redcatch Community Garden would contribute experience of early stage development and trading with a social model of wellbeing.
Young Bristol	Young Bristol would bring a strong track record in developing assets for trading and experience of seeking initial investment.
Creative Youth Network	Creative Youth Network would bring property renovation and management experience to asset-based enterprise development.
Windmill Hill City Farm	Windmill Hill City would bring experience of community asset transfer and developing a successful charity trading arm.
Ambition Lawrence Weston	Ambition Lawrence Weston would bring expertise in place-development using the Localism Act, building partnerships with business and civic leaders and social investment for community energy.
Southmead Development Trust	Southmead Development Trust would bring experience of developing a community anchor business and using social investment for community-led housing.
BS3 Community	BS3 Community would bring experience of turning a traditional community centre into a thriving childcare enterprise and using investment to develop community buildings.

## b) Composition of the Reference and Advisory Group

A broad group of organisations and individuals have supported the development of this work to date. They have brought experience of local economic modelling, business/entrepreneur development and leadership, financial expertise and community business development and support. They have been involved from the early stages in developing Bristol's proposal and brought context and experience from a wide variety of perspectives. We have decided to build on this strength and continue their role to advise the steering group on how to maximise the opportunity for positive impact for the whole city. As the programme develops, we will add new members to the group to bring specific expertise.

<b>Initial Members of the Reference and Advisory Group</b>	<b>Contribution/expertise</b>
Locality South West (Paul Hassan)	Local economic models and community assets.
SetSquared Bristol (Dan Oliver)	Expertise in wider entrepreneurship beyond the social sector and academic insight.
Power to Change (Bristol)	Community Business development and support
Triodos (Bristol)	Social investment
Resonance (Bristol) (Donna Thomas)	Social investment
Happy City (Liz Zeidler)	Impact measurement
University of Bristol (Inclusive Economy Institute) Dr Malu Villela / Professor Martin Parker	Inclusive economy policy and research
University of the West of England (Sustainability Research Cluster) Dr Peter Bradley	Sustainability development business models and community business

### c) Composition of the Ambassadors and Strategic Stakeholders

In building this proposal, it has been key to look both backwards to take account of and fully understand the rich history of Bristol’s social economy and forwards to how we can increase local coordination and impact. To achieve this, we have built a group of Ambassadors and strategic stakeholders who have brought their connectivity and leadership to the bid proposal. Their connections across the city and the breadth of their collective strategic influence and interests will offer increased opportunities to maximise the connectivity, reach and influence of the programme.

<b>Initial Ambassadors &amp; Strategic Stakeholders</b>	<b>Expertise/experience</b>
Bristol City Office	Link to the One City Approach, Plan and Governance. Access to local NHS Trusts, Police, Judiciary, Business and a variety of other partners that are essential to, but outside of the voluntary and community sector.
Bristol City Council, including the elected officials such as the Mayor and Deputy Mayor	Neighbourhood & Communities Team; economic development; place shaping and community development.
Business West (Nina Skubala)	Commercial business support and development.
Engine Shed (Nick Sturge)	Startup incubation.
Bristol SDG Alliance (Allan Macleod)	Partnership leading on the delivery of the Global Sustainable Development Goals at the Bristol City Level.
Core Cities UK	Link and learning to the other Core Cities in the UK to maximise the national impact of the programme.

Centre for Progressive Policy	Expertise on Inclusive Growth and links to national policy makers.
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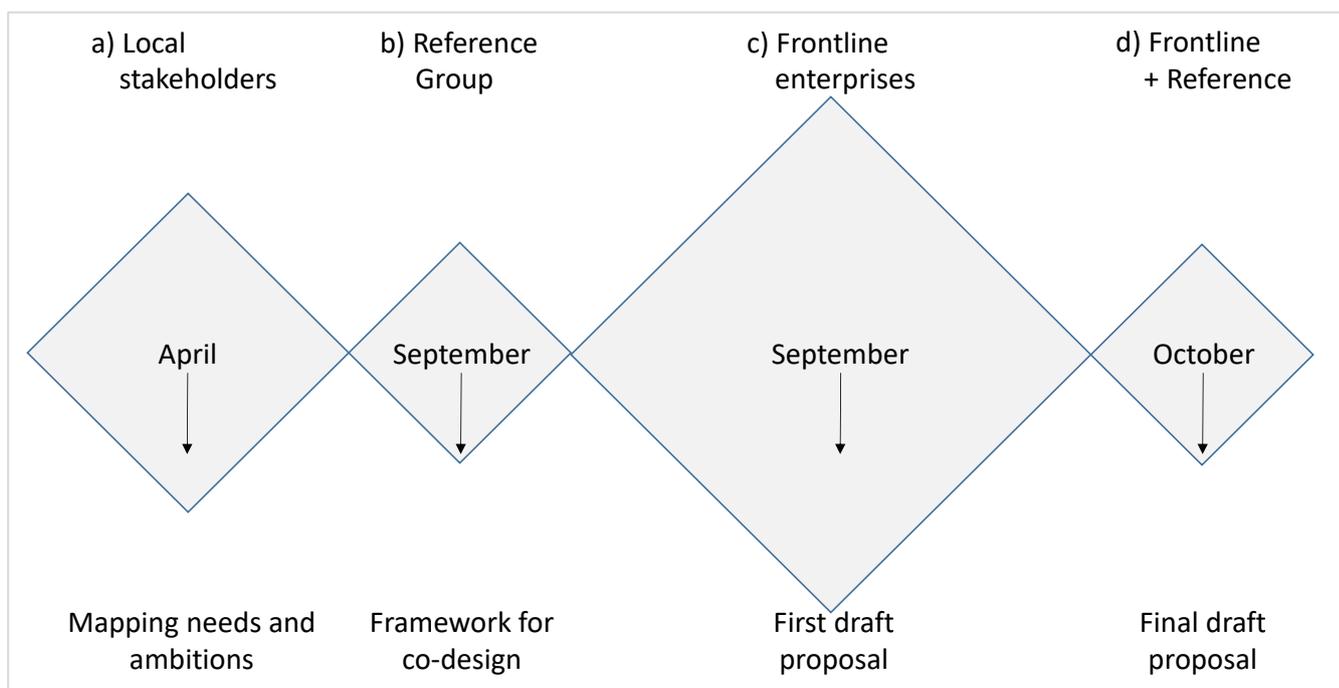
### 3. How has the partnership been brought together?

**We are looking to see a strong approach to wider engagement and co-design, reaching frontline charities and social enterprises.**

We have drawn from Bristol's diverse and vibrant social economy, reaching out as far and wide as possible in the time available. In this timeframe, we have connected with a diverse range of frontline social enterprise business models including cafes, city farms, childcare, housing, community hubs as well as those with revenue-based lived experience and skills-based models.

This has entailed tapping into the collective memory of the city to learn from and build on previous related initiatives. It has involved speaking with successful enterprises that have already used social investment to expand and using trusted relationships with local communities to establish a broader dialogue, we have also spoken to new enterprises that have been established within a broader range of potential models, such as community or mission-led businesses and CICs.

We have worked through a double diamond approach to arrive at this stage, illustrated below and elaborated underneath (a) – (d):



#### a) Local stakeholders (April)

Our first step in April was to interview a range of stakeholders with different roles and perspectives in the city to explore an initial concept of the programme. These stakeholders came from the VCSE sector, private business, academia and finance providers. We made a start to build an understanding of how a programme could be designed meet the needs of local communities through charities and social enterprises working together with social enterprise support, investment and place shaping, with the aim of building a strong and sustainable social economy.

## **b) Reference Group (September):**

Building on the original priorities identified above (a), developing the Reference Group focused on enterprise infrastructure organisations.

Bringing together initial members following one-to-one with discussions with BBRC, BSWN and Voscur, this workshop explored our vision, local context and potential priorities to develop an initial framework for co-design outlining:

- Scope and focus
- Spectrum of social purpose
- Complementary programmes
- Revenue opportunities
- Potential partners and partnership structure

Slides and a summary of the workshop are attached in Appendix A.

## **c) Frontline enterprises (September)**

Using the outline framework from the local context workshop above, this session gathered a wide range of frontline stakeholders through a mixture of targeted engagement, open invitation and pre-workshop meetings.

The workshop included:

- An overview of the Local Access programme
- Local work to date and context
- Collaborative visioning of Bristol's future social economy
- Discussion of social, environmental and economic impacts and their relations
- Frontline groups segmented themselves into the four categories outlined above based on their stage of enterprise development and developed requests and recommendations for specific elements of this proposal.

Slides and a summary of the workshop are attached in Appendix A.

## **d) Frontline and Reference Group**

To test the ideas and approaches identified so far, we met again and/or discussed individually with a number of local stakeholders that had been involved in the previous stages above, including:

- Creative Youth Network
- Young Bristol
- Bristol Credit Union
- West of England Centre for Inclusive Living (WECIL)
- Hartcliffe Health and Environment Action Group (HHEAG)
- Cognitive Paths
- Babbasa
- Street to Boardroom
- Ambition Lawrence Weston

- Windmill Hill City Farm
- Bristol Exchange
- Bridge Foundation

**e) Review and co-production with frontline/reference group**

Having developed an initial version of this proposal, it was shared at two further stages as work in progress for contributions with the Reference and Advisory Group and Frontline Partners.

**4. Strong charity/social enterprise sector involvement and some public sector involvement/endorsement**

As outlined above, our Partnership's existing relationships has enabled it to rapidly mobilise a diverse range of charities and social enterprises – some already well versed in social investment, some at the early stages of their enterprise development journey – as well as several anchor institutions with experience of place-based development.

It is now in a position to transpose this groundswell, by building on the foundations laid by Bristol's One City Approach and City Funds, towards further policy alignment and cross-sector collaboration.

We are conscious that there is still a long way to go in terms of culture change for both frontline groups, civic leaders and commercial partners. However, the strength of engagement and endorsement demonstrated so far means that as we enter the detailed planning stage, Bristol's focus will be on **how** to make our partnership work most effectively, rather than **whether** working in this way is the right approach.

**5. What delivery gaps might you need to fill, including the delivery of the investment?**

**a) Delivery of the investment**

We are confident that our partnership's capacity to deliver the investment is already in place via Bristol and Bath Regional Capital/City Funds and its strong links with other key social investors operating in Bristol such as Resonance and Triodos.

BBRC's vision is to be a strategic force for good in the region, using investment as the primary tool. BBRC seeks to create jobs and economic capacity, and helps to retain economic value within the region to ensure that growth is both sustainable and inclusive over the longer term. This will strengthen the region to be more resilient to changes in the economic and political environment.

To achieve this, BBRC has been set up as an innovative public benefit investment company that recycles its profits to allow further investment. BBRC aims to mobilize local and external

resources to invest in commercially viable projects and enterprises, which enhance the social, environmental and economic fabric of the region. BBRC acts as a national exemplar and ambassador for the application and delivery of commercially led solutions to regional challenges.

BBRC began its development of City Funds two years ago, and although it has made significant progress needs to do more to secure the type of blended investment to maximise its impact. A summary of progress to date is covered below:

- August 2017 - A cross-section of representatives from communities, the business sector, finance providers and the public sector start to meet to discuss the needs for City Funds and the impact this could have.
- March 2018 - A City Funds legal Collaboration Agreement was signed by representatives from Bristol's Mayor's Office, Quartet Community Foundation and Bristol and Bath Regional Capital. This outlined a governing structure to make decisions and launch Funding Priority Groups.
- April 2018 - A Governing Board was established following applications from, and interviews with, a broad representation of the city. Founding members were appointed from communities, businesses, education, the voluntary sector and the Mayor's Office.
- June 2018 - At Bristol's 'City Gathering' the City Funds team offered a progress update and opportunities for wider participation around the proposed funding priority groups.
- September 2018 - March 2019 - City Funds continued to develop a collaborative approach to funds design, engaging businesses and organisations whilst undertaking the necessary research and planning to finalise the Funding Priority Groups.
- April – June 2019 – City Funds initiated our first investment round, seeking £10m in new investment into Bristol.
- July 2019 – City Funds secures our first two investors into the Fund, Big Society Capital and Bristol City Council, for a total of £10 million. Also aligned is £250k of initial blended finance from Power to Change to trial a blended model for community businesses only.
- October 2019 – City Funds closes our first fundraising round and begins investing in impact-driven organisations in Bristol.

One key point about City Funds is that it seeks to be a market making fund rather than seeking to displace other investment. There is therefore a strong opportunity for the Bristol Local Access Partnership to have a significant leverage effect by harnessing the existing social and mainstream investment market operating in Bristol.

A second key point is that City Funds seeks to make a transformative difference for Bristol in the long term. One of the ways it can do that is to make use of blended finance to invest in areas of higher risk which may if successful have a much higher impact and therefore make a transformative difference once scaled. Local Access is a key component of that blended funding model, which is not yet fully sourced.

For further details on its delivery capabilities, see section D below.

## **b) Gap between investment and enterprise development**

In Bristol, we have already identified the issues arising from the gap between enterprise development and social investment, through our work with City Funds, the ERDF Social Enterprise Innovation Programme and our Connect Fund project.

These issues were also underlined during the broad-based events we used to work with frontline groups in the development of this proposal. For example, they reinforced:

- The distance between some traditional charities seeking further sources of grant funding for their existing services and those looking beyond what they already do to new routes to social impact.
- The differences between some stakeholders with a clear focus on social purpose and those more or less mission-led.

A key feature of the Bristol Local Access Partnership will be to make use of the proposed steering and reference groups to co-design these solutions with front-line enterprises. SSE has successfully pioneered an enterprise development model combining action learning and incentivised grant making. This has been delivered nationally through the Access Foundation Enterprise Development programme and locally in partnership with Power to Change and the SEIP programme. We want to build on this expertise and are keeping an open mind about the exact nature of enterprise support required to enable access to alternative streams of financial support.

Having said that, the work we have done in the past three months with the stakeholders involved in this bid development has shaped some initial thinking around what is required to fill the gap, and we have elaborated some of this in section C (social economy / enterprise support plans).

## **c) Delivery of enterprise support**

The local availability of specialist support for enterprise development continues to vary as initiatives have come and gone over time. Current providers are continuing to develop certain elements of the social economy but can't collectively meet the overall level of demand.

Voscur, BSWN and SSE have addressed this support need to some extent by:

- building on trusted relationships with local organisations established through related community development work;
- growing their own capabilities via other initiatives, such as the Connect Fund and Social Enterprise Innovation Programme;
- delivering other targeted programmes locally where funded, such as the SSE Community Business Trade Up programme.

Our approach to addressing the deficit through this proposal is three-fold:

- in the short-term to build on existing enterprise development expertise (e.g. targeted grants, leadership development, trading incentives) in the context of a place-based approach and the co-design priorities of frontline organisations;
- in the medium-term to continue growing the capability of local infrastructure to take on more specialist development support for groups at the later stages of working towards investment;<sup>1</sup>
- in the longer-term to expand the local market of expert support providers by developing a peer network of Enterprise Associates within frontline enterprises able to sell their expertise to other organisations (using learning from the Power to Change peer brokerage model).

**6. What links or expertise do you feel you may need beyond your area? Do you have any identified external partners/support organisations in place at this stage?**

We have identified the following types of expertise that would add to our local partners:

- Policy shaping – e.g. local application of Community Wealth Building approaches.
- Social value commissioning – e.g. shaping policy to create targeted social impact as well as readily accountable outputs with financial proxies.
- Blended finance – e.g. experience from other places with more established track records in deploying grant blend effectively.

Based on our existing relationships and initial research, we feel this kind of expertise could be provided by:

- Social Enterprise UK.
- GMCVO.
- Core Cities.
- UnLtd.
- South West Investment Group.
- Bethnal Green Ventures.
- Resonance.
- Centre for Progressive Policy.

Of these potential partners, we have specific relationships in place with GMCVO, Core Cities, Social Enterprise UK and the Centre for Progressive Policy.

**7. Do any of the partners have a past history of working together?**

Many of the initial partners have a history of collaboration in different ways and via a number of initiatives. For example:

- City Funds: all steering group members, almost all of the local stakeholders and many of the frontline enterprises identified above are part of City Funds in different roles.

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<sup>1</sup> Inclusive Growth in the BAME-led Sector in Bristol, BSWN (2019).

- Social Enterprise Innovation Programme: Voscur, School for Social Entrepreneurs, Bristol City Council, SetSquared.
- Connect Fund: BSWN, Voscur, BBRC, School for Social Entrepreneurs, Resonance, Quartet.
- Bristol City Council Social Value Policy: BBRC, Voscur, Locality.
- Mayor’s Asset Group: Power to Change, BBRC, Locality, Voscur, Quartet.

However, as noted above, although different organisations within our partnership have collaborated in the past, there has been little formal coordination, or a place-based approach applied to all of these initiatives together strategically or operationally. Part of the challenge is that they have been designed and evaluated against different aims and priorities, mostly with relatively limited durations. So, while they may have been successful individually, there is still work to do to ensure that the overall sum is greater than its constituent parts.

This greater alignment is one of the primary contributions we believe our proposal will make to the city and its social economy. City Funds is starting to coordinate resources and common outcomes across projects and strategic themes, and its combination with blended finance and targeted enterprise development via the Bristol Local Access Partnership will increasingly deliver added value over the long-term.

**8. How might you embed “frontline” (e.g. charities and social enterprises) involvement and working partnerships rather than just committees with “reps” from the “usual” agencies?**

Working with frontline organisations to date has shown us:

- They are overwhelmingly positive about the development of Bristol’s social economy in addition to the impact of their own work.
- A wide range of local groups are already involved with City Funds through its Funding Priority Groups.
- They want to build their own capacity rather than spend resources on consultants and recognise this requires more of their time and commitment to develop their enterprises.
- They are keen to develop collaboration facilitated independently.

Our Local Access programme will focus on tapping into this appetite for independence and self-development by providing relevant enterprise development support - and offering backfill funding to release key staff so support is more equitable.

Frontline groups have been integral to the development of our partnership to date, as outlined in section A1 above. Over the course of the programme, we also anticipate that the Partnership will be increasingly led by frontline organisations because:

- Partnership roles will be reviewed at each programme milestone.
- We plan to resource cohorts of 2-3 frontline organisations at each stage of development (early stage trading, growing revenue, exploring first investment, further investment) to develop into a network of specialist peer Enterprise Associates, as noted above.

## 9. How might private sector organisations add to your partnership?

Private sector organisations will be integrated into the partnership structure as advisors and strategic stakeholders, as outlined in the structure above (A1).

The Bristol Local Access Partnership will build on strong existing links - often developed via City Funds with Business West (our chamber of commerce) and Business in the Community – to businesses already supporting our social economy such as Hargreaves Lansdown, KPMG, PwC, Lloyds Bank, Burges Salmon, Womble Bond Dickinson, Veale Wasbrough Vizards, ARUP and Skanska. Many of these organisations have a large number of staff seeking to provide time and expertise to local charities and social enterprises, and the Bristol Local Access Partnership will integrate their skills and influence accordingly.

Local charities and enterprises have been quite explicit in what they've told us about their expectations for private sector added value. They are looking for them to contribute, for example, by:

- a) "Through leadership – e.g. a culture shift in decision making around procurement."
- b) "By asking difficult questions, making us think differently, buddying, incubating and mentoring."
- c) "As audience managers – providing insights, marketing advice."
- d) "Looking at how we can better fill some of the gaps – such as better collaboration."
- e) "As customers – by buying from social enterprises."
- f) "Finding ways to support businesses procuring from social enterprises"
- g) "Providing trustees to support small enterprises."
- h) "Offering skill, expertise, mentoring."
- i) "As partners – working with charities and social enterprises to mutually increase their social, environmental or economic impact."
- j) "As investors – supporting new initiatives that could pilot new approaches or business models."

Initially our focus is likely to be on (f) – (i) above, as these are already being supported by City Funds. Longer-term we will work to bring other aspects into the Partnership.

## B. The Vision

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### *Essential criteria*

#### 1. How would you want to define your place (geographically), and why?

**The programme must be working in a defined place.**

**Narrow your geography and target a particular area(s), or keep it broad and cover your whole area. However, bear in mind that to create an investment solution there will need to be enough “critical mass” of enterprises to invest in.**

Our place is the City of Bristol, with a focus on disadvantaged areas in the north, south and east-central. This is because the city level offers the greatest potential for place-shaping through policy and strategy, community engagement, market development and public awareness.

In defining the City of Bristol, we are conscious that there may be some impact slightly outside the Local Authority boundary so, to allow for some flexibility, we would most likely seek to align the wording with the City Funds Investment policy by referring to our place as the ‘Bristol City Region.’

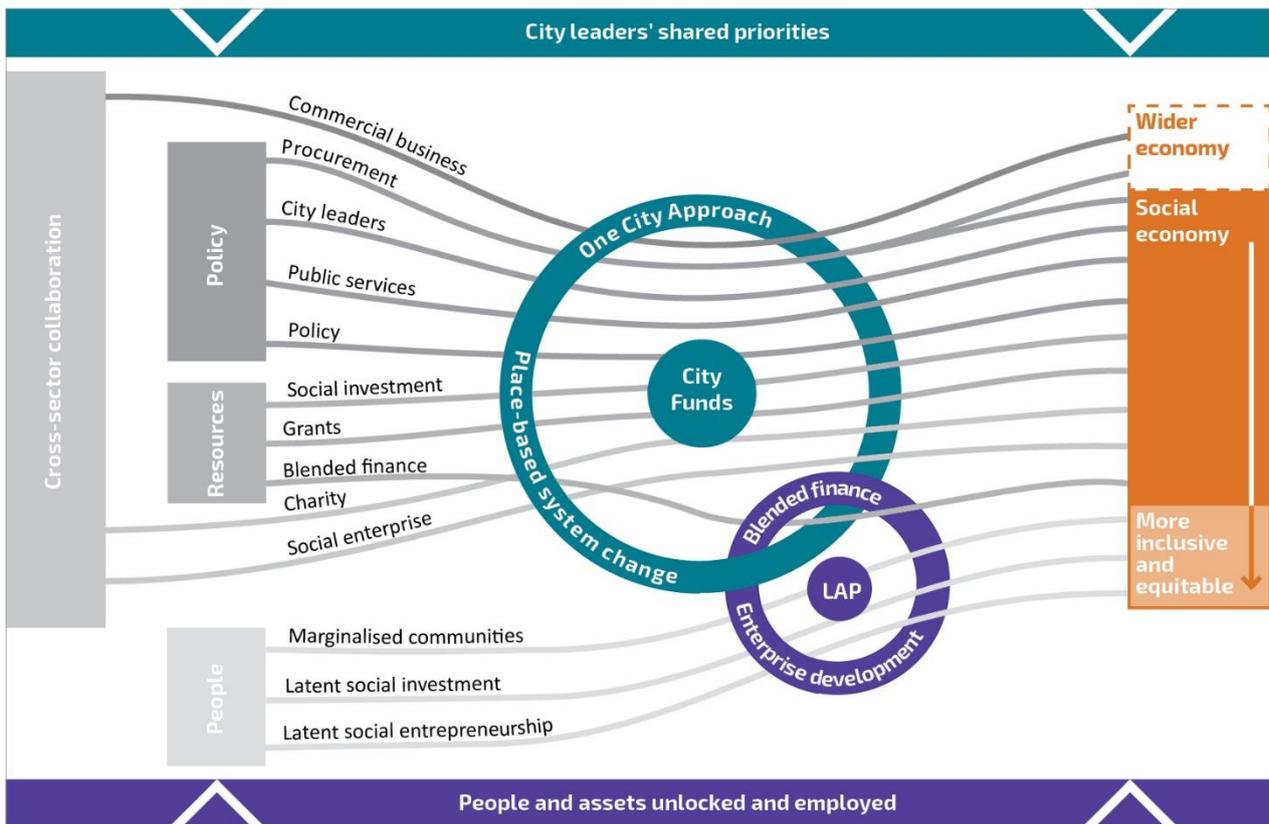
As a key aspect of Bristol’s One City Plan<sup>2</sup> and One City Approach<sup>3</sup>, the City Funds initiative<sup>4</sup> has been established at this scale and we believe our Local Access Programme dovetails with it. This alignment and collective focus is illustrated in the diagram below:

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<sup>2</sup> Bristol’s One City Plan sets out specific targets for the city to collectively achieve by 2050. It has been developed using the One City Approach by partners from across the city’s business, charitable, academic and public sectors. The plan has a vision for each decade and goals which fall under six priority themes; Health and Wellbeing, Economy, Homes and Communities, Environment, Learning and Skills and Connectivity.

<sup>3</sup> Bristol’s One City Approach aims to promote systems change through a) bringing clarity to what we are trying to achieve as a city through participation; b) creating more resilient public services by promoting shared agendas across organisational leadership; c) solving complex city challenges more effectively and efficiently by using a City Office to understand and collaborate on challenges; d) increasing the sustainability and scalability of innovations by coordinating resources and assets.

<sup>4</sup> City Funds is an investment mechanism designed to help Bristol achieve the goals set out in the One City Plan. It brings local businesses, communities, funders and the public sector together to raise new money to invest in key priorities.



Considering broader geographies, the West of England Combined Authority sets the local strategy for some relevant areas – skills, transport and housing for example – but given the diverse nature of the West of England economy, we therefore didn’t feel this potentially broader definition of place was appropriate. (We would however seek to align our work with the relevant parts of the Local Industrial Strategy which could create opportunities for social enterprise models via its ambitions for Inclusive and Clean Growth.)

Considering smaller geographies, a number of neighbourhoods or wards could also have been prioritised. However, many of the most disadvantaged wards are relatively diverse with isolated pockets of wealth and deprivation, and restricting our proposal to one or more wards at this stage would potentially exclude them from the broader range of assets, aspirations and enablers that contribute to change, and limit the potential demand for investment. That’s why we decided against a more geographically narrow definition of place.

Bristol has a rich history of social entrepreneurship and an excellent reputation for developing innovative approaches to tackle social, economic and environmental challenges – such as the Bristol Pound and Bristol Green Capital Partnership.

As the timeline below illustrates (section B7), Bristol has often been a pioneer in supporting its social economy. It has also seen strong initiatives and foundations unravel due to lack of resources or lack of collaboration, and is still in a state of transition in its journey towards greater inclusion and equity.

Social enterprise is the fastest growing part of the VCSE sector in Bristol, with some notable successes in parts of the city. Generally however, enterprise development is still lacking coordination and capacity, particularly in relation to business development, trading and financial resilience. There is evidence of market failure impacting negatively on some neighbourhoods and communities, producing inequality, economic inefficiency and restrictions on further growth.

**2. The vision must reference the development of local social enterprise and the social economy, as well as the social impact aims**

**A clear articulation of how growing social enterprises and other aspects of the social economy could contribute to the collaborative vision for the place**

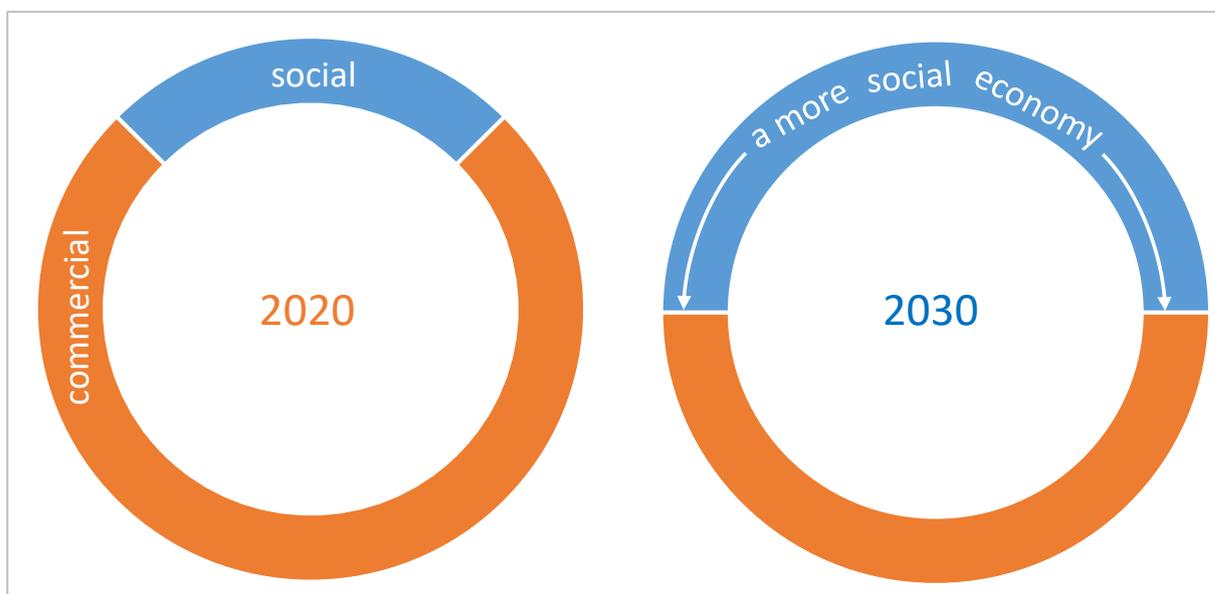
Our vision – which aligns with Bristol’s One City Plan - is of *a city that is fair, healthy and sustainable. A city of hope and aspiration where everyone can share in its success.*

A city where the social, environmental and economic impact of social enterprise plays a central role in driving greater equality, sustainability and prosperity for local people and communities.

We aim to contribute to this vision by enabling more equitable access to support and finance, and by giving disadvantaged communities the tools and opportunities to make Bristol’s social economy more inclusive and resilient, as illustrated in the diagram above.

Growing social enterprise activity and making the social economy more inclusive and equitable would directly contribute to this vision through the economic, social and environmental impacts it creates.

As illustrated below, a stronger social economy that influences commercial activity and the way that business is done means Bristol’s overall economy can become not bigger, but better – not pursuing growth for growth’s sake, but making it fair and healthy within sustainable environmental limits into the future (Inclusive and Sustainable Growth). This requires shifting the system to be more equitable rather than designing ways to mitigate the system’s impact.



In practical terms, our priorities are therefore to:

- Direct more social investment to social enterprises working with and/or led by disadvantaged/excluded communities;
- Increase the scale and reach of these social enterprises in trading with consumers, businesses and institutions so they make up a proportionally larger share of the social economy;
- Increase the social economy's market share at the expense of commercial competitors.

### **Development of social enterprise and the social economy**

Developing Bristol's social economy is a collective enterprise. No one single organisation, community or institution can do it alone. Our partnership has come together around common goals to change the local ecosystem accordingly, specifically by:

- Challenging inequality and building resilience among disadvantaged communities through ownership and agency.
- Shifting the culture from "asking for help" to "securing resources" for social impact.
- Cultivating the social economy's current vibrancy and ambition – while increasing its coherence and diversity.

Our City Funds initiative has started to coordinate efforts and resources to support these system changes. Our ambition is to use these strong foundations and acquired knowledge to create a structured programme of learning, support, development and delivery tailored to our particular place – moving our social economy from fragmentation to collaboration.

### 3. The proposal must demonstrate at least in part that it targets areas of disadvantage/deprivation (this may be defined in ways other than IMD)

Bristol is a tale of two cities. It is home to some of the most affluent and most deprived communities in the country. Life expectancy varies by ten years between the most divided neighbourhoods, with people experiencing often multiple and interlocking inequalities.

Our approach is to develop enterprises led by these communities using local assets and strengths to create social, environment and economic impact that directly tackles social, environmental or economic disadvantage.

For example, we know that out of a population of 460,000:

- 22% face social exclusion due to their ethnicity, disability or background<sup>5</sup>.
- 21% of working age residents face economic disadvantage because they are unemployed, underemployed, work in low paid jobs with little or no security or lack the qualifications and experience to secure more rewarding work.<sup>6</sup>
- 47% face environmental exclusion due to food or fuel poverty, poor air quality or lack of access to green space.<sup>7</sup>

Applying these measures together to neighbourhoods would lead to prioritising the same geographic communities identified by indices of multiple deprivation – a population of around 75,000 to target.

The experience of targeting BSWN’s Social Investment Connect project (Connect Fund) and the Social Enterprise Innovation Programme (ERDF) towards potential entrepreneurs and emerging enterprises in these areas demonstrates that the right kind of engagement and support can develop social enterprise activity in disadvantaged communities (see Appendix D).

However, breaking down disadvantage through social, environmental and economic perspectives (as well as geographic) helps to provide a more complex and incremental picture that includes local strengths and assets as well as deprivation or depletion. This helps point to how social enterprise – in creating social, environmental and economic impact – is best able to contribute potential improvements.

If we believe that disadvantaged communities shouldn’t bear sole responsibility for having to “enterprise their way out of deprivation,” this approach allows a more appropriate alignment of solutions – some of which lend themselves to social enterprise, some traditional charity finance.

Having sought to identify and learn from examples of enterprises that have developed assets (social capital) in disadvantaged neighbourhoods locally, the bad news is that it’s not always easy to determine what combination of factors are necessary for enterprises to succeed. The good news

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<sup>5</sup> 22% identified as non-white. 16.7% identified as having a long-term health problem or disability. 16% live in a neighbourhood among the 10% most deprived in the country. (JSNA)

<sup>6</sup> Low Pay Britain 2019, Resolution Foundation.

<sup>7</sup> Joint Strategic Needs Assessment: <https://www.bristol.gov.uk/policies-plans-strategies/jsna-data-profile>

though is that they do. That's why we'd like to use the next detailed planning stage of the programme to define our targets more narrowly.

**4. Support to, and investment in, organisations will be subject to our requirements (our funding can be used to support all charities, CICs, Community Benefit Societies, but other types of organisation only if they meet these requirements)**

As noted in section A, we understand that commercial businesses often have a positive impact on disadvantaged communities without having charitable objectives or even a social purpose. As part of the city's overall economy, such businesses are helping to reorient public awareness and professional cultures. Many are also bringing much needed economic benefits to disadvantaged communities.

For example, the New Western Frontier event this month demonstrated again that within Bristol's diverse enterprise sector approaches to social purpose still vary, and people from some communities have got much further to travel - socially rather than geographically - to reach the specialists who could help to develop or invest in their work.

Our nascent partnership has debated the potential tensions between social purpose and social impact with respect to co-producing our programme and we are very clear that our proposal is focused on social enterprises with a documented commitment to their social purpose because they will most directly help the city achieve its long-term goals by strengthening a social economy that helps to increase equality and equity.

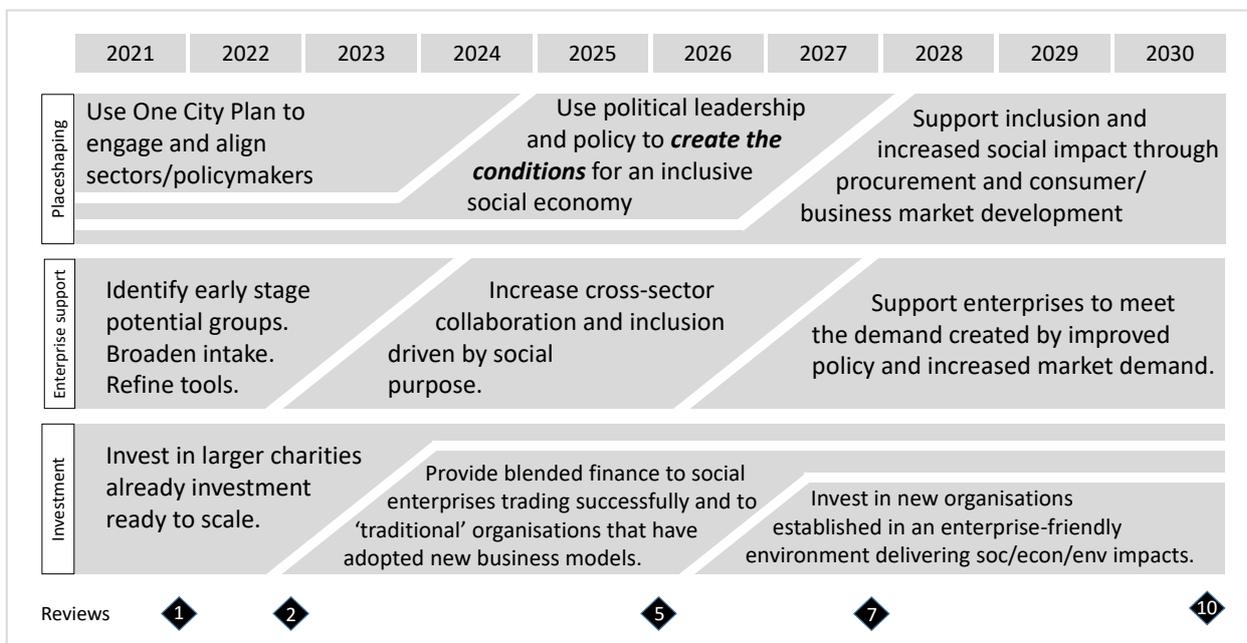
***Possible considerations***

**5. Outline a staged approach to the vision for the programme, i.e. what will be achieved during the programme and beyond, or produce a theory of change for the programme, demonstrating how the activities will ultimately support the vision**

Below is a simple draft theory of change for our programme, setting out how the proposed enterprise development activities support and lead to achieving our vision for the city.

	Ambitions	Activities	Assumptions	Outcomes
Enterprise support	Challenge inequality and build resilience among disadvantaged communities through ownership and agency.	Enterprise development. Social leadership. Business planning. Collaboration.	Organisations are looking for support to take on a larger role in the social economy.	The social economy is more diverse and inclusive.
Investment	Shift the culture from “asking for help” to “securing resources” for social impact.	Develop tailored social investment products and support offers to suit local organisations seeking to expand their social impact.	The social enterprise sector is ambitious and wants to increase its social impact.	The social economy creates greater social impact.
Placeshaping/policy	Bristol’s social economy remains vibrant and ambitious – while increasing coordination and diversity.	Political influence. Policy shaping. Market development. Buying social.	Step-change needs cross-sector collaboration to work.	The social economy is a more significant part of the city’s overall economy.

Considering the three themes identified in our Theory of Change, below we have sketched how we believe they could evolve over time, enabling a staged approach to implementation and potential milestones for programme reviews and potential recalibration. (The dates aren’t intended to be exact but rather show changes in relative focus/priority over the programme.)



**6. Share information on how you might measure your progress towards this vision at different stages of the programme**

**Short to medium-term programme measurement**

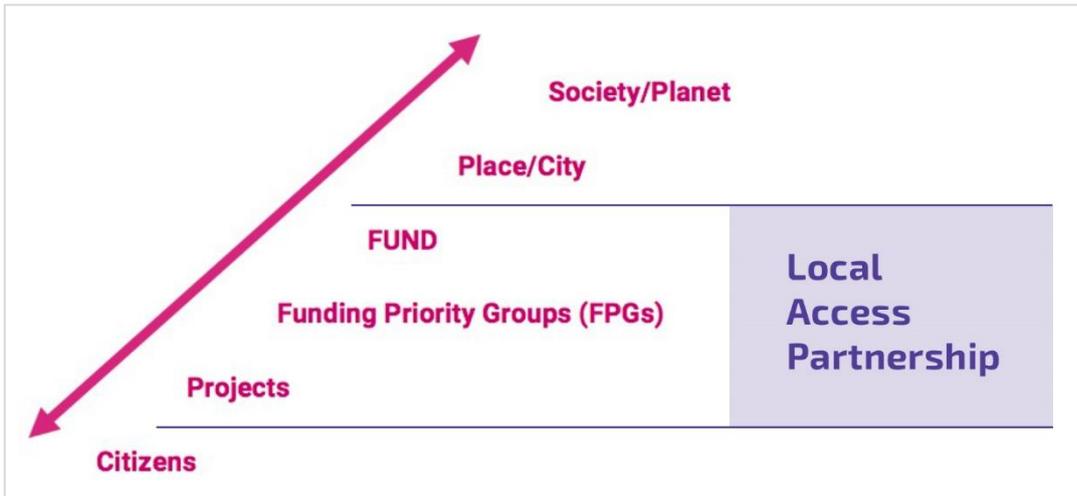
Specifically for the enterprise development investment aspects of the programme we will develop a number of capability measures against baselines for individual organisations and the programme as a whole, based on the broad stages of development identified earlier:

Stage of development	Early trading	Growing revenue	First investment	Further investment
Programme effectiveness	Organisational capacity increased →		Financial resilience increased (reduced blend) →	
	More organisations representing inclusion and impact targets →		Investment recycled →	
	Trading revenue increased and sustained →		Services scaled up →	
	Enterprise development delivered by Enterprise Associates →		Investment support delivered by peer mentors →	
Impact framework (see below)	← Social impact →			

**Longer-term impact measurement**

Bristol City Funds has commissioned Happy City to explore adapting its Thriving Places Index to include specific measures relating to place-based investment in Bristol. The approach is based on establishing a consistent thread of impact across a whole system using a combination of public data indicators and bespoke measures. Subject to further development and the detailed planning stage, utilising the same framework for our Local Access Partnership would ensure consistent focus on our selected priorities.

As illustrated below, this approach combines data from individual citizens, organisations and programmes within a structure linked to Sustainable Development Goals:



Indicators are grouped to reflect the main aspects of our vision for the city:



Each domain is then broken down into a number of subdomains, and within each subdomain a collection of indicators provides evidence of progress against goals:

HEADLINE	DOMAIN	SUBDOMAIN	SDG	NCGF	ET FPG	EI FPG	CI FPG
				FPG			
HEALTHY	CONNECTIVITY	TRANSPORT	11, 12, 13				
		ACCESS	10				
		COMMUNICATIONS	10				
	ECONOMY	EMPLOYMENT	8				
		LOCAL & INCLUSIVE GROWTH	8, 9, 10				
	HEALTH	MENTAL HEALTH	3				
		PHYSICAL HEALTH	3				
		CHILDHOOD HEALTH	3				
	HOUSING & COMMUNITY	HOUSING	10				
		SAFETY	5				
		COHESION	16				
		ENGAGEMENT/ EMPOWERMENT	16				
	LEARNING & SKILLS	CHILDHOOD EDUCATION	4				
ADULT LEARNING		10					
FAIR	EQUALITY & INCLUSION	INCOME	1, 3, 10,				
		FOOD POVERTY	2, 10				
		HEALTH	3, 10				
		EDUCATION	4, 10				
		WELLBEING	1, 10,				
SUSTAINABLE	ENVIRONMENT	EMISSIONS	11, 12, 13				
		WASTE	11, 12, 13				
		ENERGY	7, 11, 12, 13				
		LAND USE	11, 12, 13				
		AIR	11, 12, 13				
		LOCAL ENVIRONMENT	11, 12, 13				

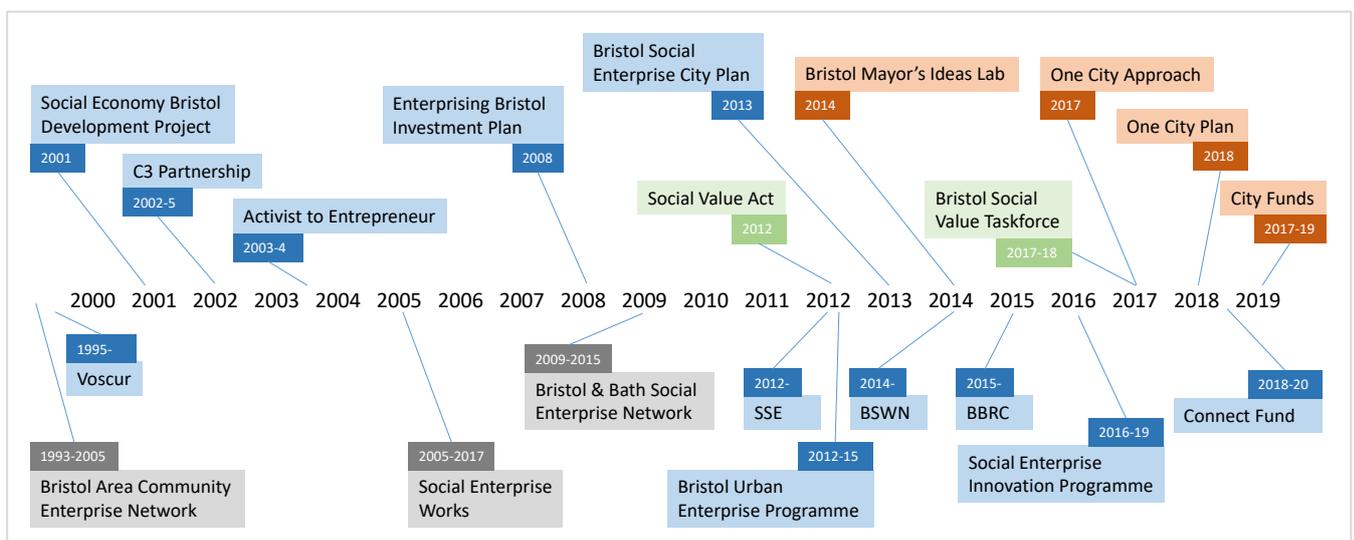
**7. Outline information about the identified area – its history and current challenges, but also what assets and strengths you have to work with.**

**What is the history of social economy development in your area, and who are your leading social enterprises?**

**Share what this proposal is building on and what might it lead onto in the future.**

The history of Bristol’s social economy is a rich mixture of pioneering policies and projects, individuals and organisations. Looking back just over the last 20 years illustrates a combination of achievements and lessons that our Partnership is now drawing together in a context of greater political commitment and practical collaboration than ever before.

A selective history of key events since 2000 in Bristol’s social economy development is outlined below:



This timeline underscores the general narrative of extensive activity and investment up to the time of the financial crisis of 2008, followed by a gradual rebuilding: first at the grassroots level from around 2009; second at the strategic level from 2013.

Bristol’s leading local enterprises now include:

- Bristol Community Health: and NHS spin-out delivering primary care services.
- Watershed: a multimedia performance and training centre and thriving city centre venue.
- Bristol Credit Union: the city’s primary provider of social savings and loans, and financial inclusion skills.

Despite many recent advances in this journey, current challenges include:

- Lack of accessible and flexible blended finance at both small and large scales
- Persistent social and economic challenges in some geographic areas
- Limited diversity and inclusion of marginalised communities in the social economy
- Threat of loss of access to locally based, enterprise development support, once the Social Enterprise Innovation Programme ends in December 2019.
- No area-based network in place since the end of the Bristol & Bath Social Enterprise Network. Social Enterprise UK acknowledges the ongoing need for an area-based network

which offers peer support, learning and business development, and the cohesion of such activities locally has become fragmented as a result.

## **Current assets**

Initiatives in recent years have begun to put in place the foundations for a revitalised social economy after the ups and downs outlined earlier. Key local assets and strengths now include:

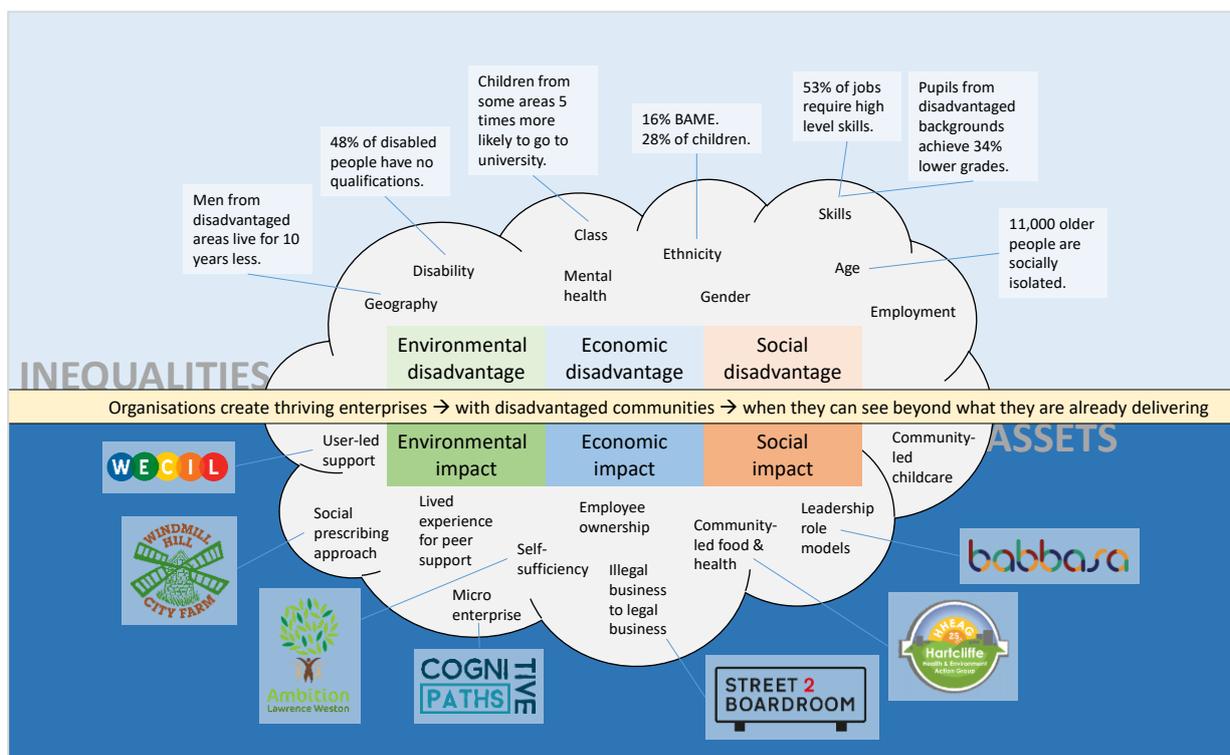
- A social enterprise sector that is growing in confidence and ambition.
- Strong examples of community identity and leadership in disadvantaged areas.
- A growing understanding of and commitment to real co-design and collaboration, not just among charities but also social enterprises, and through more equitable partnerships with public bodies and commercial businesses.
- Cross-party political commitment to the One City Approach.
- Increasing consensus on equality, diversity and inclusion not just for people with protected characteristics but also more complex challenges such as mental health, class and invisible disabilities.
- Growing connectivity with the private sector through City Funds.
- A vibrant social investment sector including Resonance, Power to Change and Triodos as well as BBRC.
- Local institutions increasing their interest in and implementation of social value in commissioning and procurement.
- Trusted relationships between local infrastructure organisations and local charities and enterprises based on a long history of collaboration.
- Early stage start up, growth and development support and grant funding for social enterprises and community businesses through SSE.

## **8. Explore a sector-specific approach / target a defined beneficiary group**

Targeting our Local Access programme to particular communities and/or areas of activity is the only sensible way of making what is a relatively limited investment achieve transformational change, given the size of our place in terms of population and geography.

Bristol has historical strengths in sectors such as finance, media, housing and food, and we could choose to focus on these areas – but that would limit our ability to reach communities currently under-served by the social economy.

So we'd like to take a different approach. As outlined above (in section B3) and illustrated below, we are keen to align the social, economic and environmental impacts that social enterprise and investment are best placed to deliver with the respective inequalities that local communities face – and the assets they are able to employ:



Having defined our place, and using the three lenses of social, environmental and economic inequality to guide our focus towards targeting enterprise development and investment, we want to select our areas of focus using an inside-out approach, i.e. stimulating collaborative development of underutilised local resources through our Partnership rather than targeting support to those enterprises that are already confident with social finance.

Through research at the detailed planning stage, this would allow our programme to be shaped in response to the intersections of disadvantage but also the strengths and assets of the same communities and groups. Targeting enterprise development support towards the latter should ensure our programme reflects the social leadership and aspirations particular to our city.

This means prioritising those organisations that are led by and/or working with those target communities. Below we estimate the potential demand for enterprise development and investment in this way (section C6) to demonstrate the demand that our programme is designed to unlock.

**9. Set out what wider strategic plans/initiatives are in place or planned in the area, and how this programme would fit into those**

The table below outlines how Bristol’s Local Access proposal fits with some of the key wider strategies in the area:

Strategic plan / initiative	How this programme would fit with it
Bristol’s <a href="#">One City Plan</a> (and One City Approach)	It would develop the local social economy to help deliver the One City Plan and make the capital finance available through City Funds accessible to a wider range of enterprises through the grant blend.

	As noted below, demonstrating the value of Bristol’s social economy in delivering the city’s shared ambitions would also earn it greater influence in future development of the Plan, ensuring its contribution is properly recognised and resourced.
West of England Combined Authority’s <a href="#">Local Industrial Strategy</a>	It supports the strategy’s support for social enterprise as an engine for environmental and social as well as economic impact, and its wider benefits for social cohesion and mobility.
Bristol’s <a href="#">Inclusive and Sustainable Economic Growth Strategy</a>	It links with the strategy’s emphasis on social and environmental outcomes as an integral part of economic growth and identifies social enterprises as key to innovation and equity.
Bristol’s <a href="#">VCSE Strategy</a>	It aligns directly with the strategy’s advocacy of social enterprise and investment to support financial independence and resilience, and with the broader call for a culture shift towards “resourcing a vision” rather than “asking for help.”
<a href="#">Bristol in Partnership</a> collaboration principles	It is underpinned by a collaborative approach to developing Bristol’s social economy through peer mentoring, support cohorts of enterprises and building a network of Enterprise Associates to trade expertise between local organisations.
Bristol City Council’s <a href="#">Social Value Policy</a>	The place-shaping aspect recognises social value as a key tool in increasing the social economy’s share of the city’s overall economy through public procurement, and the council’s policy as a model for other anchor institutions.

## C. Social economy / enterprise support plans

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### *Essential criteria*

#### 1. What elements of support (grants, incentives, training, advice etc.) would you look to put in place with our investment?

You might like to consider some of the elements that we have developed as part of our existing national Enterprise Development Programme.

You should identify activities which demonstrably build social enterprise behaviour and thinking in organisations.

**What are the main barriers to social enterprise growth and/or sustainability?**

To identify the priority elements of support we would plan to deliver through this programme, we have used four main sources of intelligence to understand both the barriers organisations have experienced in seeking to develop their enterprise activities, and the interventions that have helped to overcome these barriers:

- a) Direct engagement with frontline organisations and partners for Local Access;
- b) Recent local primary research;
- c) Access Foundation's Enterprise Development Programme;
- d) A provisional review of wider research to check our local findings and identify additional types of barriers and support that could inform the design of our programme.

To provisionally differentiate the support priorities identified by BAME enterprises and the wider social economy as a whole, the following table illustrates the importance of different elements where they are comparable:

Barrier	BAME-led enterprises <sup>8</sup>	All enterprises <sup>9</sup>
Lack of internal organisational capacity/skills and/or access to tools/resources	53%	42%
Lack of awareness/understanding of social investment products	47%	35%
Lack of appropriate enterprise development support	37%	48%
Lack of a hub or knowledge centre for local enterprises	37%	14%

The primary research from which these figures are extracted also reinforced the gap between enterprise development and social investment, with a majority of BAME-led enterprises struggling to access the support that could help them progress from the early trading stage to sustainably growing revenue. A summary of this research is set out in Appendix E.

Other barriers and areas for support identified by frontline enterprises include:

- "Building relationships with each other and across sectors"
- "Developing links with business"
- "Influencing policymakers and decision makers"

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<sup>8</sup> Engaging the BAME Social Enterprise sector in social investment, BSWN (2019).

<sup>9</sup> Bristol Local Access Partnership co-design workshop.

- “Support with partnerships and collaboration”
- “Fundraising and funding opportunities”
- “Developing our leaders”
- “Environmental sustainability”
- “Product development and market research”
- “Hard financial skills and planning”
- “Finding suitable spaces and the right kinds of property”

## Elements of support

Based on the research outlined above, the following table sets out a provisional set of enterprise development support activities we would look to test and refine during the detailed planning stage:

Type of support	Identified by	Evidence it works
<b>Business and strategic planning</b>		
Vision, mission and impact. Business planning for profit. Managing risk. Scaling services and operations.	<ul style="list-style-type: none"> <li>□ Direct engagement for Local Access (August – October 2019).</li> <li>□ VCSE Strategy research and co-design (2018-19).</li> </ul>	<ul style="list-style-type: none"> <li>□ Strengthening Bristol’s Social Economy (Voscur, Qualitative Impact Assessment Protocol, 2018).</li> </ul>
<b>Financial management and modelling</b>		
Running your charity as a business. Product costing and pricing. Managing repayable finance. Sustainability and financial resilience.	<ul style="list-style-type: none"> <li>□ Previous social investment brokerage (BBRC).</li> <li>□ Local Connect Fund research (2019).</li> </ul>	<ul style="list-style-type: none"> <li>□ Supporting enterprise growth in deprived areas, Local Government Group (2010).</li> </ul>
<b>Feasibility grants</b>		
Research and development, enterprise propositions, pilot testing and market research. Product development. Technical expertise.	<ul style="list-style-type: none"> <li>□ Previous enterprise development support (BBRC).</li> <li>□ Direct engagement for Local Access (August – October 2019).</li> </ul>	<ul style="list-style-type: none"> <li>□ Funding the Future, Quartet Community Foundation (2018-19).</li> <li>□ What Works for Community Hubs, Power to Change (2018).</li> </ul>
<b>Development grants</b>		
Buying internal staff capacity (backfilling) to develop tested enterprise plans to delivery stage. Buying external expertise to refine pilot models. Replication and developing new markets.	<ul style="list-style-type: none"> <li>□ Previous enterprise development support (SSE).</li> <li>□ Direct engagement for Local Access (August – October 2019).</li> </ul>	<ul style="list-style-type: none"> <li>□ SSE Lloyds Bank Start Up programme evaluation (2017).</li> </ul>
<b>Social impact measurement</b>		

Quantifying different types of social impact and social value. Establishing and implementing an outcomes and impact framework. Capturing and presenting impact data to support enterprise development.	<input type="checkbox"/> Direct engagement for Local Access (August – October 2019). <input type="checkbox"/> Local Connect Fund research (2019).	<input type="checkbox"/> Resonance (2019). <input type="checkbox"/> Mayor’s Assets Group Pathfinder Programme (2019).
<b>Practical advice and skills training</b>		
Advice and guidance for organisational development, e.g. policies and procedures, performance improvement, governance and professional development.	<input type="checkbox"/> Direct engagement for Local Access (August – October 2019).	<input type="checkbox"/> Voscur Impact Report (2018).
<b>Collaboration on project/service delivery</b>		
Partnership models. Relationship management. Tendering and contracting.	<input type="checkbox"/> VCSE Strategy research and co-design (2018-19).	<input type="checkbox"/> Building Health Partnerships, Voscur (2016).
<b>Leadership development</b>		
Leading for resilience and sustainability. Community leadership and start-up management. Scaling enterprise by managing through others.	<input type="checkbox"/> VCSE Strategy research and co-design (2018-19).	<input type="checkbox"/> Engaging the BAME Social Enterprise Sector in Social Investment, BSWN (2019). <input type="checkbox"/> Lloyds Bank/Big Lottery Social Entrepreneurs Programme evaluation, School for Social Entrepreneurs (2019). <input type="checkbox"/> It’s time to talk about scale, Big Society Capital (2019).
<b>Mentoring</b>		
Bespoke 1-2-1 mentoring support for enterprise leaders and management/development staff. Common areas of focus: <input type="checkbox"/> Leadership and team management; <input type="checkbox"/> Innovation and managing change; <input type="checkbox"/> Creating and developing an organisation’s culture; <input type="checkbox"/> Marketing and product/service development; <input type="checkbox"/> Developing partnerships.	<input type="checkbox"/> Direct engagement for Local Access (August – October 2019). <input type="checkbox"/> Engaging the BAME Social Enterprise sector in social investment (BSWN 2019).	<input type="checkbox"/> Bristol Urban Enterprise and Innovation Network, BSWN (2018).
<b>Peer development support / cross-sector networks</b>		
Formal and informal peer support for: <input type="checkbox"/> Business development; <input type="checkbox"/> Learning and sharing experience;	<input type="checkbox"/> Direct engagement for Local Access (August – October 2019).	<input type="checkbox"/> Engaging the BAME Social Enterprise sector in social

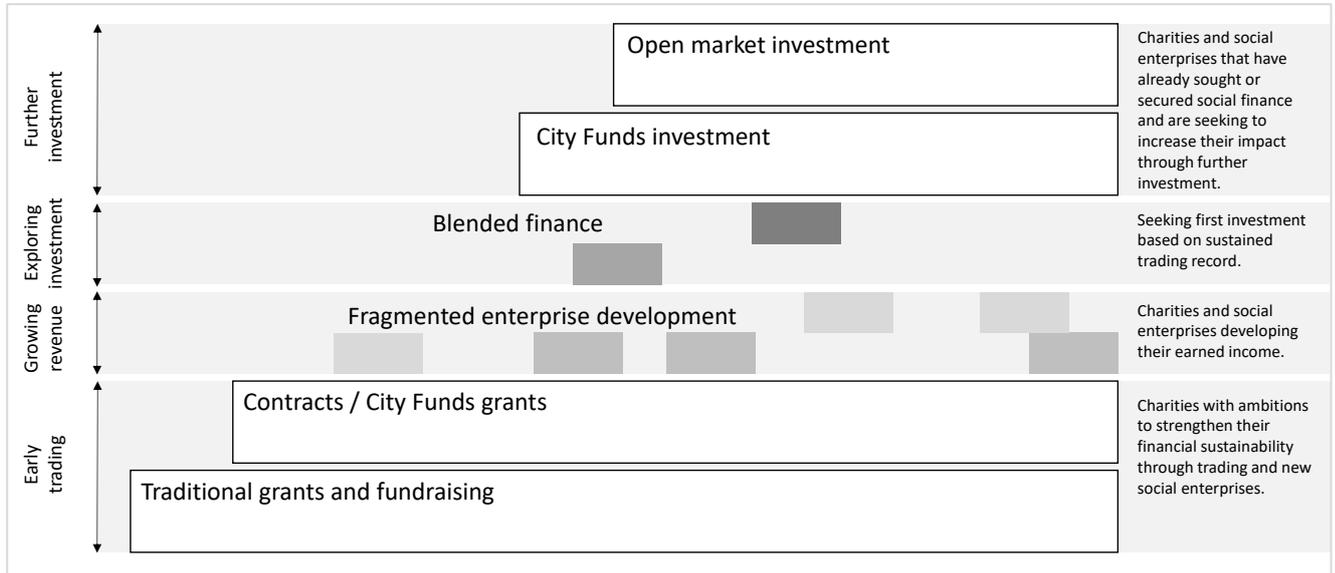
<input type="checkbox"/> Sharing data, tools, resources;	<input type="checkbox"/> VCSE Strategy research and co-design (2018-19). <input type="checkbox"/> Social Enterprise Innovation Programme (2019).	investment (BSWN 2018, Connect Fund).
<b>Access to/recruitment of trustees/directors</b>		
Support to identify, reach and recruit new trustees and directors to strengthen board skills and organisational governance.	<input type="checkbox"/> Direct engagement for Local Access (August – October 2019).	<input type="checkbox"/> Voscur Impact Report (2018).
<b>Single point of trusted advice, support and tools</b>		
For early stage enterprises with limited capacity/resources.	<input type="checkbox"/> Engaging the BAME Social Enterprise sector in social investment (BSWN 2019).	<input type="checkbox"/> Bristol Social Enterprise City Plan (2013).
<b>Access to data and metrics</b>		
<input type="checkbox"/> Access to data and intelligence to support planning, identifying new markets and partners, impact measurement. <input type="checkbox"/> Bespoke market research to support product/service development. <input type="checkbox"/> Social economy primary research to establish baselines.	<input type="checkbox"/> VCSE Strategy research and co-design (2018-19).	<input type="checkbox"/> Previous social investment brokerage (BBRC).
<b>Test trading with micro-loans</b>		
Support to manage small scale repayable finance as a first step towards scaling investment and impact.	<input type="checkbox"/> Direct engagement for Local Access (August – October 2019).	<input type="checkbox"/> Supporting enterprise growth in deprived areas, Local Government Group (2010).
<b>Incentivised grant schemes</b>		
Support and finance to develop business development and trading by matching grants with an increase in earned income.	<input type="checkbox"/> Direct engagement for Local Access (August – October 2019).	<input type="checkbox"/> Lloyds Bank/SSE Trade Up and Scale Up evaluation (2018).

How the elements of enterprise support outlined above would be targeted and implemented most effectively will be a key part of detailed planning at the next stage of the programme through collaborative testing and learning. We want to ensure we are building on what works currently and amplifying those impacts, as well as recognising that we also need new models which can meet the needs articulated by the frontline and change their access to support.

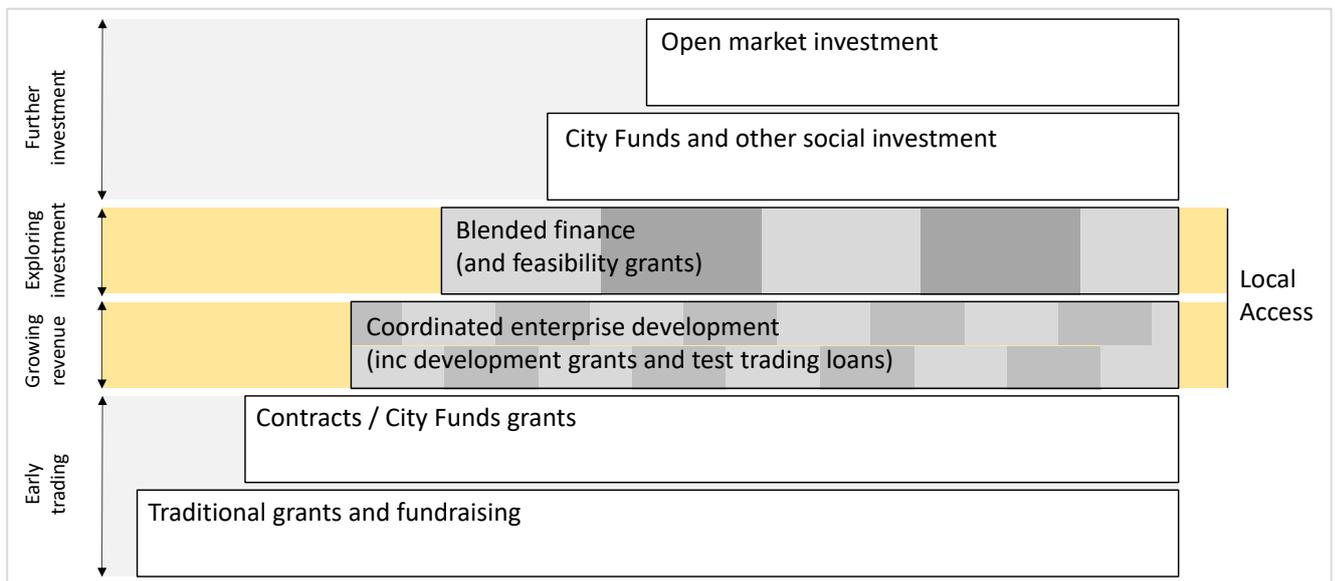
Provisionally we have used our theory of change and likely stages of delivery (section B5 above) to outline how the types of support would be deployed, dovetailing with different social investment products, as enterprises develop through the four broad stages outlined earlier. These are set out

below in the context of working towards our vision and developing the social economy as well as individual enterprises.

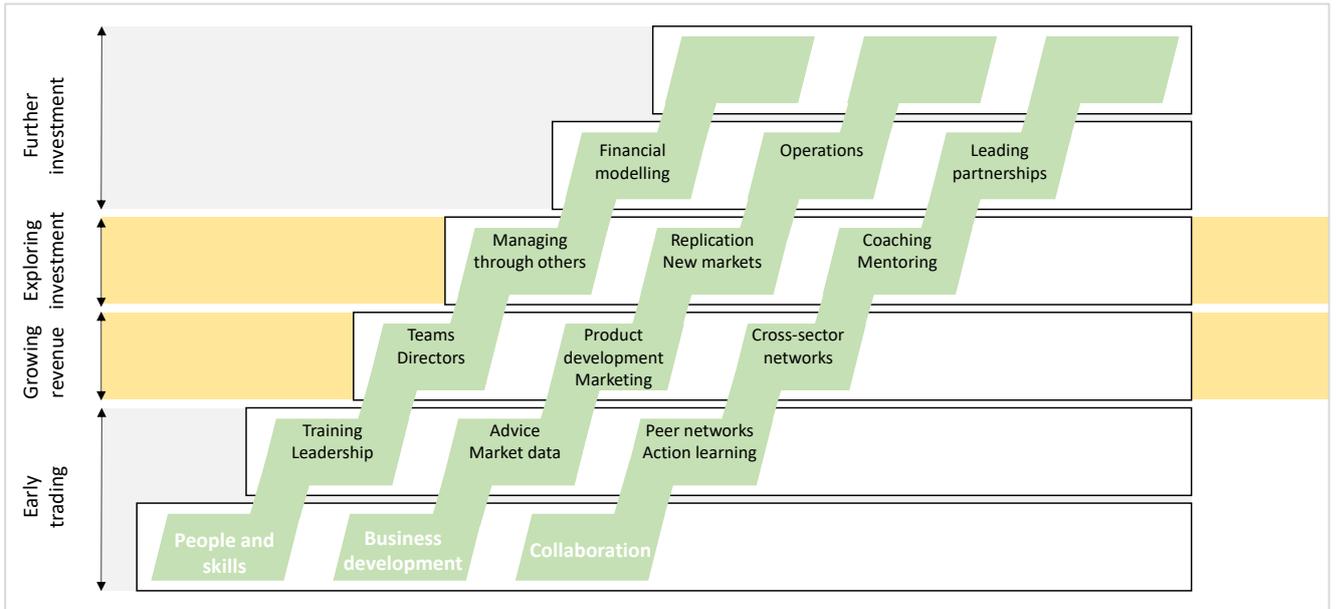
**a) Bristol’s current ecosystem lacks coordinated enterprise development and accessible finance:**



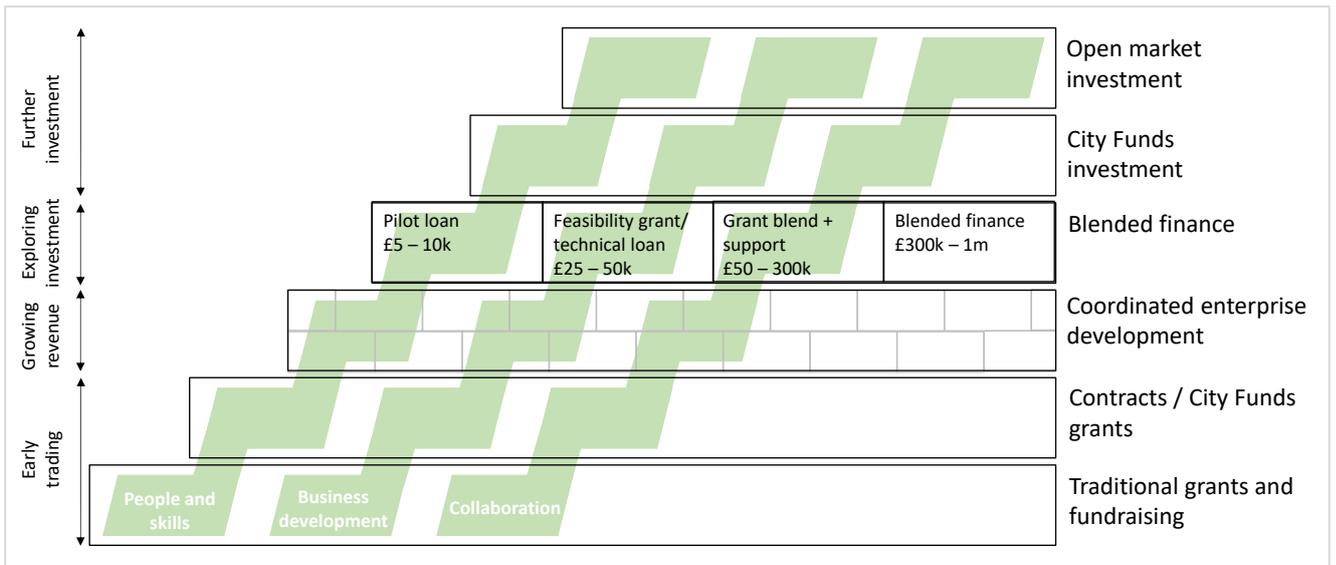
**b) Our Local Access programme would address these gaps:**



**c) Development support would evolve as enterprises scale their impact:**



**d) Enterprise development and blended finance would scale together:**



**2. How much of Access's £8m grant facility for enterprise support would you approximately need? (Reminder this would have to be shared between around 5 places)**

Bristol is seeking a £1.6m share of the enterprise support funding available through this programme.

One of Bristol's advantages is that it already has access to City Funds capital for investment. It lacks the support resource required to develop a pipeline of strong investable enterprises.

We know that developing the enterprises that can utilise this capital effectively will require a structured programme of capacity building and support in order to ensure that knowledge and skills are rooted in each organisation, rather than being provided through temporary external inputs.

The size of the VCSE sector in Bristol offers an opportunity for delivery of a replicable programme of place-based enterprise development as part of a citywide strategy to tackle poverty and inequality whilst developing an inclusive and sustainable local economy. Early stage work on programmes such as City Funds and the Connect Fund partnerships (between Voscur and BBRC and BSWN and SSE) indicate a need for scalable, long-term support if our social economy is going to achieve its vision.

Our learning from these programmes shows that patient support (flexible, long-term and collaborative) is critical to enabling those organisations for whom investment is right to work towards patient finance.

**3. What do you hope this activity will achieve during and beyond the life of the programme?**

**During the programme we intend to:**

- Establish the Partnership as an independent alliance of strategic stakeholders and Enterprise Associates providing development support to continue after the programme.
- Develop the local market of consumers, commissioners and suppliers to increase the inclusion and share of the social economy within the overall economy.
- Demonstrate more assertively the role of Bristol's social economy in delivering the city's shared ambitions – thereby earning it greater representation in future development of the One City Plan (where it is currently underrepresented).
- Develop a local provider market of Enterprise Associates to enhance enterprise development support by building capacity within frontline enterprises allied to the Local Access Partnership. This would support a more sustainable model of enterprise development by allowing Steering Group to act as enablers as well as providers of enterprise development support. This would involve resourcing and coaching staff from stakeholders at each stage of development to become a peer network of specialist Enterprise Associates that will sell their

expertise to other local enterprises as the programme develops and they gain expertise and experience.

This would help to strengthen the market in local enterprise development expertise.

It would give leaders experience of other enterprise's challenges and approaches to build their own capacity.

It would also strengthen management/leadership skills in enterprises by taking senior staff out to work with other local groups so junior staff get more chance (with support) to take on and grow into additional responsibilities.

- Test and develop a new range of learning and financing models building on our experience with grants, incentivised grants and blended finance combined with targeted enterprise development - thereby providing a more effective bridge between grant funding and mainstream social investment.
- Achieve significant progress in support the development of local organisations towards impact and investment:
  - 148 early stage enterprise building capability to grow revenue
  - 132 enterprises sustaining revenue and securing first investment
  - 25 begin negotiations about their first investment;
  - 20 seek further finance.
- Seek to create a replicable model for the Core Cities that has positive impact beyond Bristol. Seek to use this model as an exemplar for other global cities via forums such as the Global Parliament of Mayors.

#### **Beyond the life of the programme:**

- Increased "Buy Social" policy in local institutions.
- City Funds continues to successfully recycle capital through a stronger social economy of enterprises that have been developed and scaled through the programme.
- Network of local Enterprise Associates continues to champion and support local organisations and maintains a healthy provider market of enterprise development specialist within frontline organisations.
- Infrastructure and support organisations are fully aligned and embedded in the Bristol One City Plan.

#### **4. Who would you expect to manage any grant payments to individual charities and social enterprises?**

There are a number of potential partners with the capacity and experience to manage any grant payments to local organisations.

We will identify a lead partner to manage this process during the 3-6 months of detailed planning at stage three.

We anticipate they would oversee the management of grants during the first testing phase for elements of support (see section E1) and this role would then be reviewed as part of overall learning in year one.

## 5. Identification of activity which builds local capability to offer enterprise support – (networks or local infrastructure etc.)

We have developed an understanding of building effective enterprise support locally through a number of previous initiatives, including:

- BSWN's 'We want to change, and they have the power' review for Power to Change (2018)
- Connect Fund (BBRC and Voscur)
- Connect Fund (BSWN and SSE)
- Social Enterprise Innovation Programme (SSE and Voscur)
- BSWN's Urban Enterprise and Innovation Network
- Voscur's business development work with local CICs
- Development and coordination of wider charity and enterprise infrastructure – BSWN and partners (Engine Shed, etc.) and Voscur and partners (SetSquared, Locality, SSE).

We've also drawn from third party research, for example:

- Building inclusive and resilient social economies, Social Enterprise UK (2016).
- Bristol in Partnership (Voscur) and Bristol's VCSE Strategy
- Connect Fund's evaluation infrastructure development
- Access Growth Fund evaluation

From these sources we have identified the following activities as the most relevant for building capability to provide enterprise support:

- Regular engagement and communications about sustainability to understand organisations' full range of options (not just enterprise and investment);
- Developing a network of local enterprise development specialists to provide external input support and skills building for staff;
- Building trust over time with target organisations and communities;
- Amplifying and developing existing sources of support, often by facilitating collaboration, to maximise impact;
- Transparency (independence) in support provision – offering support for many routes towards sustainability, not just generating trainees for in-house programmes;
- Developing internal enterprise activities and up to date knowledge about changes in the social investment environment;
- Access to market research facilities and developing in-house support skills;
- Developing reliable sources of technical expertise (technical, financial, legal, HR, etc.);
- Experience of delivering mentorship, action learning and collaborative peer support groups;
- Access to support for implementing operational systems (IT, finance, MEL, etc.);
- Experience in the development and quality assurance of policies, processes and procedures;
- Developing local knowledge to support enterprises seeking office space, incubators for clusters of enterprises, co-working space.

**6. An understanding of the demand from local charities and social enterprises for these [enterprise support/development] activities**

**What are your baselines and what would you aim to achieve in terms of social economy growth?**

As the timeline (section B7) illustrates, a number of previous local programmes offer rich intelligence about the demand for enterprise development support from established charities and social enterprises, and indicators of demand from newer organisations.

For example, the following current and recent initiatives have engaged effectively with a significant number of local charities, social enterprises and community businesses:

SEIP start-up:	249 (unregistered organisations so excluded)
SEIP incubation:	137
Voscur & BBRC Connect Fund:	102
BSWN networks:	88
School for Social Entrepreneurs:	162
<b>Total</b>	<b>489<sup>10</sup></b>

We also know that social investment providers and intermediaries are often approached by organisations seeking finance that aren't always ready to utilise different products, and our partners typically direct these groups to enterprise development providers for further capacity building and support. For example, Resonance's Bristol Sitr Fund has invested £900,000 in six local enterprises to date and rejected 11 other applications seeking £2.2m.

**Demand in the current social economy**

To forecast demand for enterprise support and development we first identified the number of local charities and social enterprises about which we have access to data:

<b>a) Number of registered organisations:</b>	<b>1,863</b>
Charities	1,504 (Charity Base)
CICs	329 (Companies House)
I&P Societies	30 (Companies House)

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<sup>10</sup> This total will include some duplication, as we know some enterprises have been part of the SEIP and other SSE programmes, for example.

## b) Indicators applied to identify enterprise development/investment potential

To segment organisations into likely stages of development without undertaking detailed primary research we have applied a number of simple indicators based on our experience of development support:

	<b>Turnover</b>	<b>Staff</b>	<b>Years established</b>
Early trading	< £100k	< 3	< 2
Growing revenue	£100 – 250k	4 – 10	3 – 5
Seeking first investment	£250 – 500k	11 – 20	6 – 10
Further investment	£500k +	20 +	11 +

Obviously, these indicators are neither absolute nor distinct. For example, some large charities with long track records may be new to trading, and some new social enterprises could be expanding rapidly while still young.

## c) Number of existing local organisations likely to seek enterprise development and/or investment support at each stage of development

Applying the criteria in (b) above to the organisations in (a) produces a set of smaller filtered groupings:

<b>Number of organisations</b>	<b>By turnover</b>	<b>By staff</b>	<b>By years established</b>
Early trading	1,275	490	296
Growing revenue	264	327	303
Seeking first investment	127	425	398
Further investment	196	621	866

Using the lowest number for each measure in the above table eliminates much of the potential overlap between the three columns and indicates the following potential demand from local organisations:

- a. Early stage trading: 296
- b. Growing revenue: 264
- c. Exploring first investment: 127
- d. Further investment to scale: 196

This suggests a conservative estimate of demand for enterprise development and investment from around 883 organisations.

If 489 of these have participated in previous enterprise development programmes, as noted above, that means another 394 may not have benefitted from support – a latent demand of 44%.

Considering likely progression rates through the development stages shows we could expect:

- 148 enterprises to grow their revenue;
- 132 to build their financial resilience towards social finance;

- 25 to begin negotiations about their first investment;
- 20 to seek further finance.

We anticipate these enterprises to be a mixture of impact-aligned initiatives and charity trading arms, utilising a variety of models and approaches:

- B2C e.g. community-led childcare and energy;
- B2B e.g. payroll, training and catering services;
- B2G e.g. contracted health, care and community services.

Addressing this likely demand in line with the programme’s vision will guide how enterprise development is targeted and delivered. We propose to test and refine these provisional priorities during the detailed planning stage of the programme in 2020.

**Possible considerations**

**7. Who could deliver the support, and how would our investment help to not only deliver short term outcomes but also build your local capacity for the long term?**

Two of the three approaches to delivering enterprise support outlined above (section A5) are designed to build local long-term capacity for support – in addition to filling the gap for short-term inputs, i.e.:

- a) increasing the capability of existing local providers to support enterprises through more of their development towards social investment. This is the approach we are already implementing through our local Connect Fund projects, and incentivised trading schemes, illustrated below:

Current enterprise development support:

Support from infrastructure →	Lack of support	Investment brokerage
Support from SSE →		

Future enterprise development support:

Support from infrastructure →	Investment brokerage
Support from SSE →	

- b) developing a network of Enterprise Associates within local enterprises that will sell their expertise to other local enterprises (outlined in section C3 above). This would further strengthen local capacity for enterprise support, as illustrated below:

Future enterprise development support:

Support from infrastructure →	Investment brokerage
Support from SSE →	
Support from Enterprise Associates →	

The third approach outlined above (using development grants to buy in specific external expertise from partners or other external providers) would also deliver enterprise support quickly in the early stages of the programme, but contribute less to local capacity in the long run.

**8. Is there other match funding or aligned initiatives available locally to boost the social economy development activity?**

The diagram in section D4 below outlines both aligned initiatives contributing to the development of Bristol's social economy and some of the sources of revenue that organisations taking on investment are likely to pursue – revenue we are seeking to more clearly direct into the social economy by shaping procurement policy.

The key elements of aligned development funding are:

- City Funds capital of £10m.
- Power to Change grant blend of £250,000 via City Funds.
- DCMS grant of £100,000 to Quartet to develop place-based giving.
- National Lottery Community Fund grant of £640,000 to Quartet to develop community anchors.
- Power to Change grant of £175,000 to BBRC to develop the work of the Mayor's Asset Group (linking Community Asset Transfer strategy and development funds to City Funds).
- University of Bristol's ESRC Impact Acceleration Account 2019-2023.

## D. Social investment ideas

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### *Minimum information*

#### **1. Process of identifying the organisation to manage the social investment / who you expect to manage it?**

**What skills exist within your area to deliver some or all of this finance?**

**Review the list of existing providers of social finance on the same website – some of these might be suitable to be approached about the delivery of your funds**

**Review the list of providers delivering funds under our existing Growth Fund**

Bristol has the great advantage of having already developed the City Funds model and structures and it is through these mechanisms that the grant blend investment in the Local Access Programme will be managed.

BBRC will act as the Programme's Adviser, as it does for City Funds, to assist in the sourcing and initial evaluation of applications for funding. BBRC "filters" applications which when developed sufficiently are referred to the Investment Advisory Committee.

The Investment Advisory Committee performs an advisory role only and recommends whether in its opinion an individual opportunity is suitable for investment by the Programme. Once an application is recommended, the Programme will formally refer a proposal to the FCA-regulated Fund Manager (NCM Fund Services Limited) for a decision on behalf of the Programme. If the Manager approves an investment, BBRC discusses the agreement with the applicant and progresses the necessary documentation.

A more detailed version of the above describes five parts to the operational screening, investment decision making and monitoring process, in each step there will be formalised delegated authority to each committee or group from the Board as part of their terms of reference:

##### **a) Strategic Initiation and Fit (Annual) – City Funds Governing Board**

In line with the One City Approach, the City Funds Governing Board agrees to set up a Funding Priority Group with appropriate terms of reference. Relevant practitioners and experts are drawn from the community and related specialists in the field – the Governing Board will advertise in each case but reserves the right to approach known experts directly.

##### **b) Thematic and Localised Fit (Quarterly) – Funding Priority Groups**

That Funding Priority Group, with the operational support of BBRC, further defines the areas within thematic priorities where investment might be appropriate along with potential investees. The Funding Priority group, with its links to communities and the wider Bristol will determine ideas for interventions and projects that may fit the objectives of City Funds in the future.

Building on the work of the Funding Priority Groups, BBRC shapes investment proposals for consideration by an Investment Committee or similar.

At no point is the Funding Priority Group or its members making any investment recommendations or decisions.

**c) Filtering, Financial and Risk Analysis – BBRC and City Funds LP Investment Advisory Committee**

City Funds LP (the Fund) is the investment fund established by partnership deed as a separate legal entity to the City Funds Governing Board. As the Adviser to the Fund BBRC employs an Investment Manager who prepares papers for the monthly local Investment Advisory Committee. These papers include financial, risk and social and environmental screening and analysis. This work is linked to agreed Investment Policy parameters established for City Funds LP.

The Investment Advisory Committee meets formally and is constituted to include competent individuals with the following focus:

1. Independent Chair
2. Representative of City Funds Governing Board
3. BBRC representative (Head of Credit)
4. Representative of South West Investment Group
5. Representatives from Bristol VCSE sector, or Bristol business angel or venture or start-up community
6. Impact specialist with experience of priority areas
7. Big Society Capital Voting member
8. Bristol City Council Voting member
9. Ability to co-opt one additional IC member with sector, or specific deal experience as needed on a case by case basis, at the discretion of the Independent Chair

The City Funds Governing Board retains regular oversight of all investment decisions through quarterly reporting to ensure that the additionality test is being met and that investments fit with the City Funds vision. However, the Board does not retain any direct control over investment decision making.

**d) Investment Decision – FCA Regulated Fund Manager**

The final decision to deploy funds to a project will be taken by the FCA Regulated Fund Manager (NCM Fund Services Limited) on the instruction of the Fund. This decision will be taken based on the work previously undertaken by BBRC as advisor and the Investment Advisory Committee in the previous stages of the process.

Once the decision-making process has been finalised, funds will be drawn down and deployed. It is estimated that the process should take 2-3 months from start to finish from an investment application to deployment of funds.

**e) Monitoring and Evaluation – Investment Advisory Committee**

The Investment Advisory Committee will monitor existing investments on an ongoing basis and make decisions as required. Reports will be prepared by BBRC.

The Governing Board will also receive these reports for information.

**2. What types and sizes of investment you anticipate building into your investment proposal, and how you think you would blend the elements of grant and repayable investment from us to create financial products that you think local organisations will be interested in and able to access.**

**Review the different types of social investment on [www.goodfinance.org.uk](http://www.goodfinance.org.uk)**

We have provisionally identified the sizes and types of investment our programme will offer using our own local experience and third-party research, but we will seek to refine this once the Partnership is in place – thus ensuring that this programme is demand led.

Local enterprises have told us they are typically looking for up to £50,000 for small scale development and for £300,000 or more for larger scale capital works. For example:

- “Multiple requirements of £100,000 - £300,000 over 10+ years”
- “£100,000 over 2 years for programmes and development”
- “£130,000 over 5 years to expand the reach of our services”
- “£500,000 over 10 years with specialist business modelling”
- “More than £500,000 for five years”

Currently City Funds has an investment policy of £50,000 to £1m, so we would seek to blend capital with the existing investment to enable City Funds to take increased risk where there is likely to be increased impact. We will also look to work up a model for the less than £50,000 investment market. According to our initial research, this has widespread support as a concept, but will need work by the Bristol Local Access Partnership to deliver an effective programme linked to support. For example, Bristol already has experience with this level of investment through SSE-led programmes. We will be seeking to build on this experience to ensure this very early stage investment access is available.

Most importantly they also told us they wanted a package of support to come with the investment. This is where the blend and the capacity building grant will need to work seamlessly via our proposed Partnership structure.

**3. An initial idea of how much investment would be required? (Remember for social investment, there is £10m Access grant funding and around £15m Big Society Capital funding to be shared between around 5 places)**

£2m grant blend to co-invest with £10m City Funds. The majority of this to be allocated as blend for the existing investment policy (£50,000 - £1m), and a meaningful proportion to be allocated to investment amounts less than £50,000. We would expect to match this with other sources of investment operating in the market which are not operating effectively due to the lack of capacity support packages attached to them.

We expect the blend would be used in a number of scenarios, such as:

- To make finance more accessible to enterprises taking on their first loan and for whom risk is a disincentive;
- To cover the proportionally greater overhead managing relatively small loans;
- To mitigate lack of security when making loans to enterprises without collateral;
- To provide breathing space that reduces the risk of default;
- To underwrite incentivised grants that can be converted to loans if targets are met but remain as revenue if not.

**4. What other matching investment or existing funds could be applied alongside our funding in order to increase its size, breadth of products, or length of deployment/ability to recycle funds?**

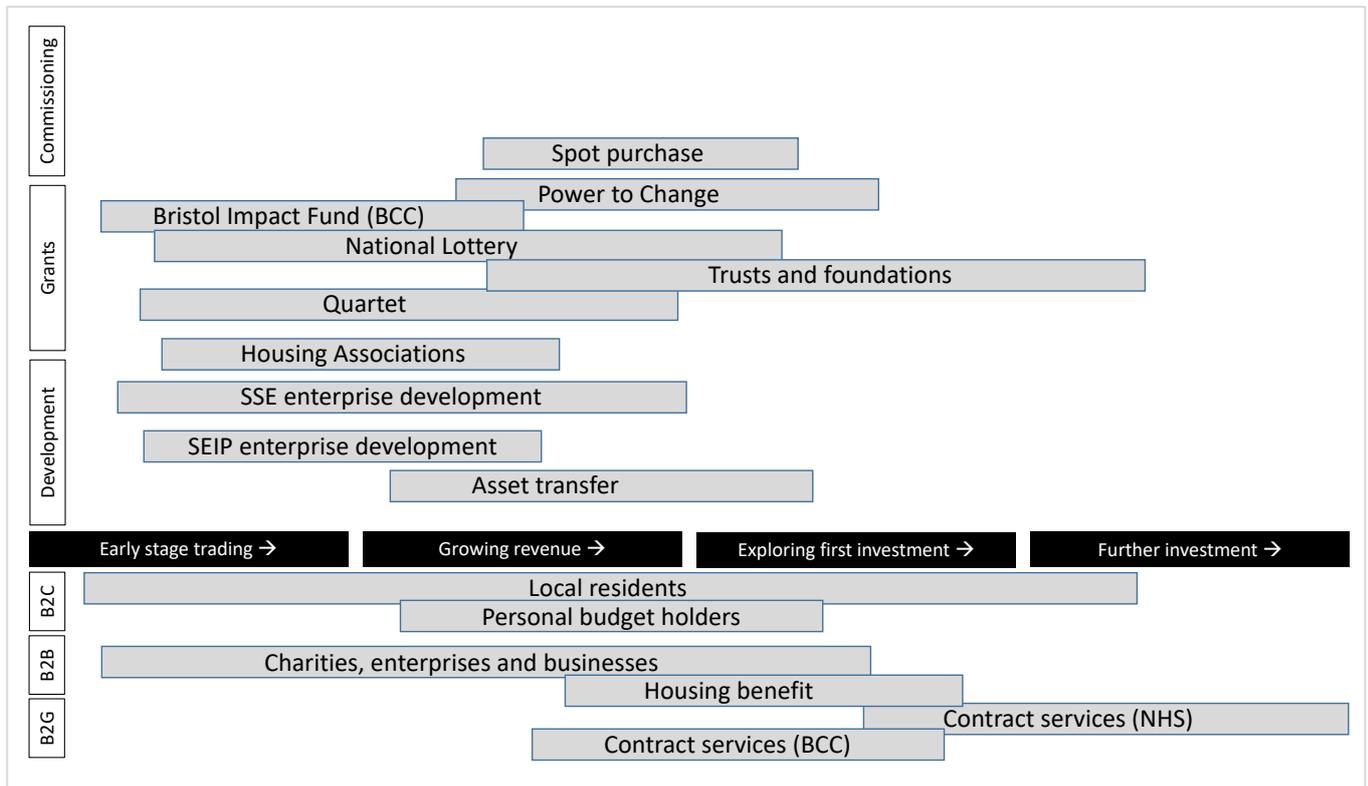
**Alignment of other local investment and grant funds**

We anticipate the following funds could be aligned to increase the range of our investments:

- City Funds (Blended Grant and Investment)
- Resonance SITR Fund (Investment)
- Triodos – Various (Investment)
- South West Investment Group – SME Funds (Investment)
- Fredericks Foundation – micro loans (Investment)
- CAF Venturesome – Community Led Housing Funds (Investment)
- Big Issue Invest (Investment)
- Other national social investors via Good Finance website (Investment)
- Power to Change – Various (Grant)
- Homes England – Community Led Housing Fund (Grant)
- Bristol City Council and West of England Combined Authority (Grant)
- Quartet – Funding their future (Grant)
- Other local grant funders (Grant)
- Other national grant funders (Grant)

**Alignment of local revenue sources for organisations utilising social investment**

For organisations taking on investments of different sizes, we expect some of the local revenue opportunities for their enterprises to include those outlined in the diagram below:



**5. An understanding and vision for how social investment could help achieve your vision and support the enterprises in your place**

The vision and purpose of City Funds aligns precisely with the aspiration of the Local Access Programme, being “to enable a future for our place that is more equitable, sustainable and where everyone can thrive.” City Funds aims to create positive and transformational change in Bristol by bringing businesses, community organisations, funders and the public sector together, to share resources and help address key priorities in Bristol. The mission is “to work together to align, attract and deploy catalytic funding, reducing inequality to create an inclusive, resilient and sustainable place for everyone. The £10 million investment fund works alongside grants to strengthen organisations solving some of the biggest problems facing our city.”

City Funds provides a platform for alignment between funders, businesses, community organisations and the public sector, focussed on addressing the systemic causes of social, economic and environmental disadvantage and inequality.

The Funds demonstrate the city’s collective ability to enable and drive change to the conditions for less advantaged communities in the city, by being a single place to go for the “first step” funding required for initiatives which are designed to address the city’s key issues. It will also demonstrate where Bristol as a whole city has “skin in the game”, by utilising local philanthropic grant investment, incorporating Bristol’s business contributions including CSR and aligning the investment of assets locally. This local commitment will provide confidence to external funders or investors that Bristol is a good place to look for social investment opportunities.

Specifically, the funds will drive:

- Effective place-based social investment.
- A locally led solution to directing the new and existing supply of grant finance where it is most needed.
- The leadership role of charities and social enterprises in the most deprived areas who work with some of the most socially and environmentally excluded individuals in society and provide targeted support to build their capacity and ability to take on social investment.
- The awareness of the role of charities and social enterprises in delivering economic activity that is socially focussed and the role of social investment in providing them with finance to support sustainable social-economic development in a local community – contributing to the overall citywide agenda of inclusive growth.
- Additionality: providing additional finance to fund initiatives which would be unlikely to access the type or level of funding required from elsewhere. The Funds will raise new, additional funding to catalyse new strategic initiatives and support the extension of existing projects, where pace, scale and impact can be enhanced to address real need and achieve systemic change.

**6. Demonstration that this fund aims to meet unmet or latent demand in the place.**

**We will be interested to see how proposals will develop finance which can reach charities and social enterprises who traditionally would be excluded from or disinterested in social investment, rather than just providing more finance for those organisations that have accessed it in the past**

Our approach is to develop both the provision of enterprise development support and demand for investment by:

- Understanding why organisations feel “we don’t understand or haven’t considered social investment ...” in the past.
- Identifying the generic (e.g. complexity) and specific local barriers (e.g. high entry level) that have so far put enterprises off seeking investment to increase their impact.
- Providing targeted enterprise development particularly to organisations working with disadvantaged communities.
- Developing a wider range of investment products (some with grant blend) combined with support to help enterprises take a more scalable approach to expanding their impact rather than a larger leap, e.g. match trading grants, test trading loans of less than £50,000.

A very provisional estimate of latest demand, using the data available, is outlined in section C6 above.

**Possible considerations**

**7. Including an understanding of previous social investment activity that has taken place in your area**

We have included some example of previous social investment activity in Bristol in the table below, this is not an exhaustive list.

Goals	Social investment examples - Bristol	Other relevant social investment examples
<b>Progress social mobility through access to education and skills</b>	<ul style="list-style-type: none"> <li>▪ Southville Community Development Association bond</li> <li>▪ Bristol Together (£1.6m charity bonds, arranged by Triodos)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Relevant SIBs addressing NEETs: Innovation Fund, Youth Engagement Fund</li> <li>▪ Early Years Investment Fund</li> </ul>
<b>Tackle Bristol’s housing crisis by building more homes and protecting private</b>	<ul style="list-style-type: none"> <li>▪ Bristol CLT (£600k via Resonance AHF)</li> <li>▪ £30m National Homelessness Property Fund (Resonance)</li> <li>▪ £25m Investment in Dunmail Housing Scheme (Cheyne/BBRC)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cheyne – South Yorkshire Housing Association</li> <li>▪ Youth Homelessness and Rough Sleeping SIBs</li> </ul>
<b>Ensure early intervention in health and well-being</b>	<ul style="list-style-type: none"> <li>▪ £5m Health and Wellbeing Challenge Fund (SW) (Resonance)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ways to Wellness SIB, Reconnections SIB, DeRIC</li> </ul>
<b>Improve transport and people flow across the city</b>	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Hackney Community Transport</li> </ul>
<b>Put Bristol on course to be run entirely on clean energy by 2050</b>	<ul style="list-style-type: none"> <li>▪ Southmead Development Trust</li> <li>▪ Bristol Energy Co-operative (£400k via SASC Community Inv Fund)</li> <li>▪ Chelwood Community Share issue (£145k supported by CSUF)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ernesettle Community Solar (£3m via Leapfrog Community Energy Fund and community shares)</li> </ul>
<b>Be a leading cultural city making culture and sport accessible to all</b>	<ul style="list-style-type: none"> <li>▪ South Bristol Sports Centre (£1m advised by BBRC, £250k from SISTR fund)</li> <li>▪ PAPER Arts (£250k from SISTR fund)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Arts Impact Fund</li> <li>▪ Greenwich Leisure Charity Bond issue</li> </ul>

Bristol has also been the location of some milestones in the development of the social investment market:

- First place-focused SISTR fund, focused on dismantling poverty in Bristol.
- First issue via BSC’s crowd-match fund: Southville bond offer.
- First regional *and* issue-focused Access fund (Health & Wellbeing Challenge Fund).
- One of the first locations for the national roll out of Resonance and St Mungo’s pioneering NHPF.

## E. Timeframes

### 1. Indication of anticipated timeframes – Stages 3 / 4, support phase, investment phase – what activity is likely to be delivered when?

**Timelines are reasonable and align with the Local Access timeframe (5-10 years)**

The draft schedule below shows how we expect to plan the next stages if selected to proceed at stage two:

	Stage 2: Draft proposal	Places selected	Stage 3: Detailed planning (3 - 6 months)						Access Investment Committee approval	Stage 4: Delivery (First 12 months)						Review of enterprise support
	2019	Jan 2020														
<b>Stage 3: Detailed planning</b>																
Establish Partnership																
Agree budget																
Delivery plan																
<b>Stage 4: Delivery</b>																
Deploy grant blend																
Test enterprise development activities																
e.g. Financial planning																
e.g. Development grants																
e.g. Feasibility grants																
e.g. Leadership development/mentoring																
Enterprise Associates Academy																

Given the foundations already in place locally, we anticipate a relatively short detailed planning stage of three to six months.

Following approval, deployment of the grant blend finance could begin immediately using the City Funds management mechanisms outlined above. We are keen to deploy this resource quickly in order to begin recycling investments at an early stage of the programme.

Similarly, with the development of Enterprise Associates, building the local market for support as soon as possible will make best use of the programme's budget and support growth of the wider social economy.

The enterprise development activities noted above are examples drawn from the list of potential interventions identified in section C above. Building on our previous experience, we anticipate establishing a range of test and learn cohorts along the lines of our Connect Fund projects and Trade Up Enterprise Development programmes. They would test some of the elements of support collaboratively during the first 12 months, and feed into the first programme review at the end of year one.

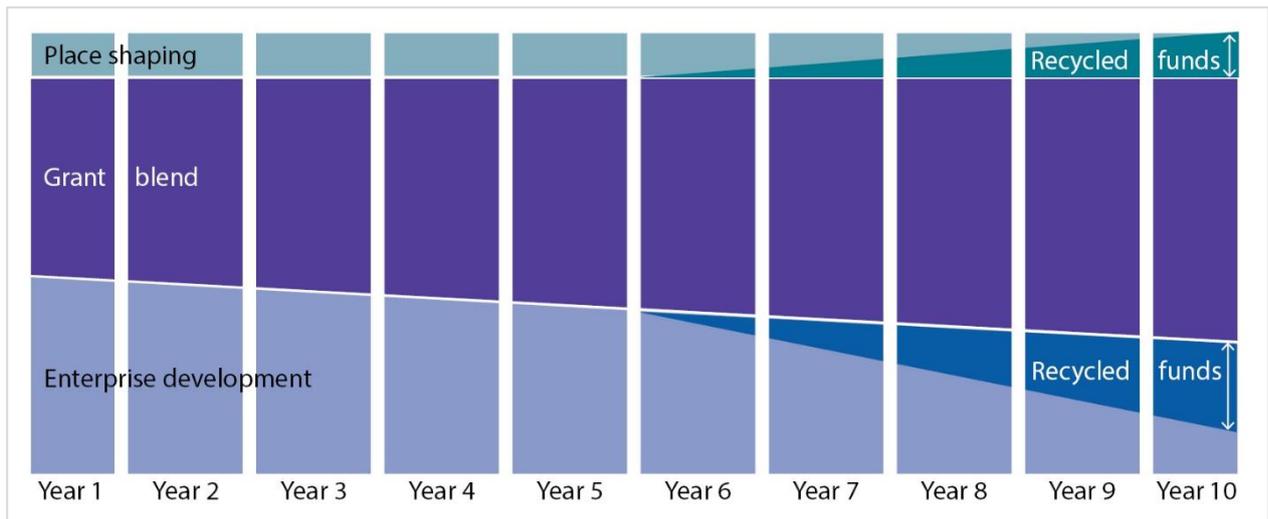
*You may want to consider:*

**2. Have you developed spend and deployment profiles across both the enterprise support activity and social investment activity?**

We have developed this profile at a high level based on estimates of demand, but it will need further work to refine it.

To demonstrate this, we have developed spend and deployment profiles for City Funds and anticipate resources from Local Access to align with and increase the speed and scale at which capital can be invested and recycled.

The chart below outlines a provisional profile - covering grant blend, enterprise development and strategic place shaping - for the ten years of proposed delivery in relative rather than absolute terms, with recycled funds contributing to the maintenance of Partnership activities as the initial funding from Access is utilised and ends:



## Appendix A: organisations engaged and/or contributing to co-production of this proposal

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### a) Local stakeholders

Having received the invitation from Access to explore a bid from Bristol, Ed Rowberry first contacted a range of local social economy stakeholders:

Alison Hope	Consultant
Andrea Dell	Bristol City Office
Andy Street	Chair, Bristol City Funds/Feeding Bristol
Anna Brown	VCSE Debt advice organisations
Carolyn Hassan	VCSE Community Anchor organisation
David Barclay	Civil Society organisation
Di Robinson	Consultant
Donna Thomas	Resonance
Dick Penny	CEO Media Organisation
Ed Rowberry	BBRC
Ian Barrett	CEO Avon Wildlife Trust
Ian Towsend	CEO Bristol Green Capital Partnership
James Durie	CEO Business West
James Money-Kyrle	Chief Operating Officer BBRC
James Snelgrove	Bristol City Office
Joanna Holmes	CEO Barton Hill Settlement
Kalpna Wolf	BeOnBoard
Kevin Slocombe	Mayors Office, Bristol City Council
Liz Zeidler	CEO wellbeing economics organisation
Martin Boddy	University West of England
Marvin Rees	Elected Mayor
Mick Axtell	University of Bristol
Nick Sturge	Engine Shed
Nishan Canagarajah	University of Bristol/City Funds Board member
Ololade Adesanya	Accountant/City Funds Board member
Paul Hassan	Locality
Peter Morris	City Funds Board Member

Richard Pendlebury	BBRC Chair & CEO of Anchor Society
Rick Sturge	Board, First Source UK
Robert Kerse	University of Bristol
Ronnie Brown	Community Foundation
Ryan Munn	BBRC Development Manager
Sado Jirde	Director Black South West Network
Sandra Meadows	CEO Voscur
Sue Cooper	BBRC Head of Credit
Sue Turner	Community Foundation
Suzanne Wilson	VCSE Community Anchor organisation
Taylor Meagher	Mayors Office
Toby Hawkins	Outset
Tom Beal	Independent community enterprise/support/cooperative consultant
William Marshal	Pro Vice Chancellor UWE

From this initial group, those highlighted in green above were interviewed. The initial Expression of Interest also incorporated the thinking of a wider range of other stakeholders via desk research covering a variety of reports on projects, strategies and future plans.

Subsequent input and discussions with the other individuals and organisations have been incorporated into the development of the Stage 2 Bristol bid.

## b) Reference Group

Following a series of individual discussions between emerging partners, the first meeting of the Reference and Advisory group included:

BBRC	Resonance
Locality	SetSquared
School for Social Entrepreneurs	BSWN
Voscur	University of Bristol

Discussion slides:	Notes and actions:
 Adobe Acrobat Document	 Adobe Acrobat Document

## c) Frontline enterprises

The frontline enterprises attending the co-design workshop were:

Oasis-Talk	PAPER Arts CIC
One25	Windmill Hill City Farm
BS3 Community Development	Crisis Centre Ministries
Unique Voice CIC	Bristol Sheltered Accommodation & Support Ltd
The C.H.E.E.S.E. Project CIC	North Bristol Community Project
Bristol & Bath Parks Foundation	Bristol Credit Union
Simpact CIC	Centre for Capacity Building and Enterprise Development (CCBED)
WECIL	Rising Arts Agency
Bristol Community Health	Centre for Deaf
LoveWell	Young Bristol
The Harbour	FareShare South West
Imayla	West of England Sport Trust
Amie Thompson	School for Social Entrepreneurs (SSE) Dartington
VoicebyVolume Impact and Inclusion	Bristol Exchange
The Bridge Foundation	Transformational Business Network
Studio Upstairs	Creative Youth Network
The Chrysalis Project	Cognitive Paths
LinkAge	Resonance
Baggator	Redcatch Community Garden
Coconut Chilli	The Key - Unlock Potential
Up Our Street	BS3 Community
Rise Social Enterprise	Bristol Chaplaincy
The Care Forum	Bristol Women's Voice
1625 Independent People	

Discussion slides:



Adobe Acrobat  
Document

**Appendix B: Letter of endorsement from Bristol’s elected mayor**

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See attached.

## Appendix C: Social Enterprise Innovation Programme

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Targeting potential social entrepreneurs in disadvantaged communities, Voscur's contribution to the Social Enterprise Innovation Programme of start-up support and development shows that there is demand for this kind of initiative from people whose addition to the social economy would richly increase its diversity:

	Total	%
Total number of people completing start-up programme 2017-19	94	
Total number of people providing postcode	91	
Total from Bristol	77	85%
Total from priority north	7	8%
Total from priority south	13	14%
Total from priority east central	36	40%
Total (all priority areas)	56	62%
Total number of people providing employment status	36	
Employed	16	44%
Self-employed	12	33%
Not employed claiming benefits	5	14%
Not employed not claiming benefits	3	8%
Total number of people providing equalities information	84	
BAME	39	46%
Disability	7	8%
BME Led Groups	25	27%

## **Appendix D: Developing social enterprise in disadvantaged communities**

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Recent research by the Centre for Local Economic Strategies (CLES) has added to understanding of the relationship between social enterprises and disadvantaged areas – why they seem to thrive in some places but not others, the extent to which they are led by local people, and where the different types of social capital needed to develop successful enterprises comes from - given this it's often in short supply.<sup>11</sup>

CLES's theory is that community businesses flourish where all forms of social capital (bridging, bonding and linking) are present. Considering examples in Bristol, it seems that one or two of those building blocks may be sufficient for new enterprises to get started – even if developing more of a balance between all three is likely to be necessary for them to reach significant scale.

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<sup>11</sup> Building an inclusive economy through community business, Centre for Local Economic Strategies (October 2019).

## **Appendix E: Engaging the BAME Social Enterprise Sector in Social Investment (BSWN 2019)**

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Primary research by BSWN on revealed that the majority of BAME social enterprises are young, without assets and are mainly grant reliant, despite having sought alternative sources of funds.

Half of the group confirmed they are 'not really' aware of social investment and 74% never applied for it, despite the same percentage reported having undergone social investment training.

Focus groups found that only three out of ten social entrepreneurs confirmed they would know how to access social investment.

The study's survey indicated that a lack of awareness, knowledge and information were the main reasons for not applying to social investment, followed by lack of capacity, opportunity and the (fear of the) cost of debt.

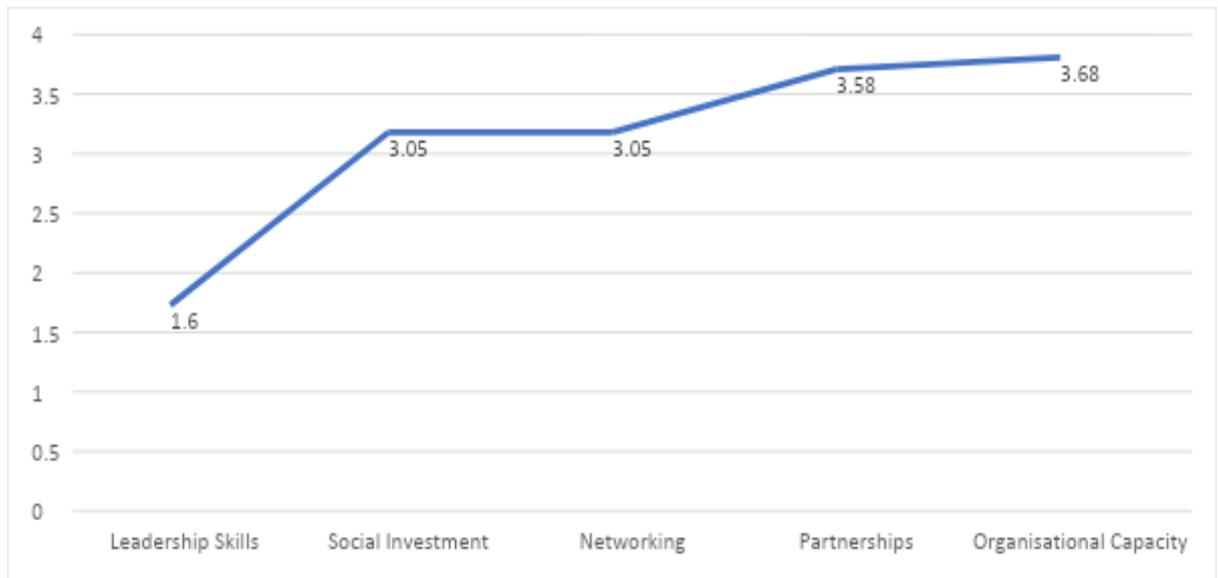
As one research participant powerfully put it: "Black, Asian, and Minority Ethnic voluntary sector organisations have taken a battering in this city... We are wounded. We're wounded as a sector. There is a desperate need for investment and ideas."

So although BAME participants access some support, 40% of the respondents who considered accessing support to develop the BAME social enterprise sector identified it as among the bigger challenges they face. Therefore the design of such training needs to be seen in the context of previous 'investment readiness' groundwork having limited success.

Social entrepreneurs in the focus group also explored in more depth the issue of a lack of human resource capacity arguing that many social enterprises usually only have "one person to manage everything".

Moreover, there were key concerns regarding their capacity to generate income in order to make repayments. The majority of organisations reported a turnover of below £30,000, indicating a barrier to reaching a stage of sustainability. Grants, crowdfunding, sponsorship, income generation and commissions were cited as revenue sources accessed.

The chart below summarises the relative emphasis study participants placed on different aspects of enterprise development:



## Appendix F: Bibliography

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